

EXHIBIT 4



IN REPLY REFER TO

United States Department of the Interior



BUREAU OF RECLAMATION
2800 Cottage Way
Sacramento, CA 95825-1898

FEB 28 2020

MP-440
2.2.4.22

Mr. Thomas Birmingham
General Manager
Westlands Water District
3130 N. Fresno Street
Fresno, California 93703-6056

Subject: Repayment Contract No. 14-06-200-495A-IR1-P Between the United States and Westlands Water District

Dear Mr. Birmingham:

Enclosed is an executed original of the subject contract for your records. The Bureau of Reclamation appreciates the effort expended by the Westlands Water District and its representatives relative to this contract. Exhibit D to the Contract will be finalized on the Effective Date of the Contract, in accordance with the Water Infrastructure Improvements for the Nation Act of 2016 (Public Law 114-322).

If there are any questions, please contact Mr. Stanley Data, Repayment Specialist, at sdata@usbr.gov or (916) 978-5246.

Sincerely,

A handwritten signature in blue ink that appears to read "Ernest A. Conant".

Ernest A. Conant
Regional Director

Enclosure

INTERIOR REGION 10 • CALIFORNIA-GREAT BASIN

CALIFORNIA*, NEVADA*, OREGON*

* PARTIAL

Irrigation and M&I
Contract No. 14-06-200-495A-IR1-P

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES
AND
WESTLANDS WATER DISTRICT
PROVIDING FOR PROJECT WATER SERVICE
SAN LUIS UNIT AND DELTA DIVISION AND FACILITIES REPAYMENT

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Exhibit D – Repayment Obligation

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES
AND
WESTLANDS WATER DISTRICT
PROVIDING FOR PROJECT WATER SERVICE
SAN LUIS UNIT AND DELTA DIVISION AND FACILITIES REPAYMENT

1 THIS CONTRACT, made this 28TH day of FEBRUARY, 2020, in
2 pursuance generally of the Act of June 17, 1902, (32 Stat. 388), and acts amendatory thereof or
3 supplementary thereto, including but not limited to, the Acts of August 26, 1937 (50 Stat. 844),
4 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,
5 July 2, 1956 (70 Stat. 483), June 3 1960 (74 Stat. 156), June 21, 1963 (77 Stat. 68), October 12,
6 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, Title XXXIV of the Act of
7 October 30, 1992 (106 Stat. 4706), as amended, and the Water Infrastructure Improvements for
8 the Nation Act (Public Law (Pub. L.) 114-322, 130 Stat. 1628), Section 4011 (a-d) and (f)
9 ("WIIN Act"), all collectively hereinafter referred to as Federal Reclamation law, between the
10 UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by
11 the officer executing this Contract, hereinafter referred to as the Contracting Officer, and
12 WESTLANDS WATER DISTRICT, hereinafter referred to as the Contractor, a public agency of
13 the State of California, duly organized, existing, and acting pursuant to the laws thereof;
14 WITNESSETH, That:

15

EXPLANATORY RECITALS

16 [1st] WHEREAS, the United States has constructed and is operating the
17 California Central Valley Project (Project), for diversion, storage, carriage, distribution, and
18 beneficial use, for flood control, irrigation, municipal, domestic, industrial, fish and
19 wildlife mitigation, protection and restoration, generation and distribution of electric energy,
20 salinity control, navigation, and other beneficial uses, of waters of the Sacramento River,
21 the American River, the Trinity River, and the San Joaquin River and their tributaries;
22 and

23 [2nd] WHEREAS, the United States constructed the Delta Division Facilities,
24 including the San Luis Unit facilities (which include the San Luis Canal, the Coalinga
25 Canal, the Pleasant Valley Pumping Plant, and the Dos Amigos Pumping Plant), which
26 will be used in part for the furnishing of water to the Contractor pursuant to the terms of
27 this Contract; and

28 [3rd] WHEREAS, the rights to Project Water were acquired by the United
29 States pursuant to California law for operation of the Project; and

30 [4th] WHEREAS, the Contractor assigned to the United States, California State
31 Water Resources Control Board (previously California State Water Rights Board) application
32 number 15764 on October 17, 1960, following receipt of a letter, dated September 29, 1960,
33 from the then-Acting Regional Director of the Bureau of Reclamation that, "A permanent water
34 supply for your district will, of course, be assured and made available pursuant to a long term
35 contract, renewable in accordance with current provisions of Federal Reclamation law."; and

36 [5th] WHEREAS, the terms and conditions pursuant to which Project Water is
37 to be delivered to the Contractor through December 31, 2007, are addressed in the

38 Contract Between the United States and Westlands Water District Providing for Water
39 Service, dated June 5, 1963, and the Stipulated Judgment in the lawsuit entitled Barcellos and
40 Wolfsen, Inc., v. Westlands Water District, Civ. No. F-79-106-EDP (E.D. Cal.), as consolidated
41 with Westlands Water District v. United States of America, Civ. No. F-81-245-EDP (E.D.
42 Cal.), entered on December 30, 1986; and

43 [6th] WHEREAS, the United States and the Contractor have pursuant to
44 Subsection 3404(c)(3) of the Central Valley Project Improvement Act (CVPIA),
45 subsequently entered into binding agreements identified as Binding Agreement No. 14-
46 06-200-495A-BA, and Binding Agreement No. CV 79-106-EDP-BA, which sets out the
47 terms pursuant to which the Contractor agreed to renew its contract before the
48 expiration date after completion of the Programmatic Environmental Impact Statement
49 (PEIS) and other appropriate environmental documentation and negotiation of a renewal
50 contract; and which also sets out the consequences of a subsequent decision not to
51 renew; and

52 [7th] WHEREAS, the United States and the Contractor entered into Delta
53 Division and San Luis Unit Contract Number 14-06-200-495A-IR1 and subsequent Interim
54 Renewal Contracts 14-06-200-495A-IR2 through 14-06-200-495A-IR6, the last of which is
55 hereinafter referred to as the “Existing Contract”, which established terms for the delivery of
56 Project Water to the Contractor from the Delta Division and San Luis Unit, and which was in
57 effect the date the WIIN Act was enacted; and

58 [8th] WHEREAS, on December 16, 2016, the 114th Congress of the United
59 States of America enacted the WIIN Act; and

60 [9th] WHEREAS, Section 4011(a)(1) provides that “upon request of the
61 contractor, the Secretary of the Interior shall convert any water service contract in effect on the
62 date of enactment of this subtitle and between the United States and a water users’ association
63 [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under
64 mutually agreeable terms and conditions.”; and

65 [10th] WHEREAS, Section 4011(a)(1) further provides that “the manner of
66 conversion under this paragraph shall be as follows: (A) Water service contracts that were
67 entered into under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under
68 this section shall be converted to repayment contracts under section 9(d) of that Act (53 Stat.
69 1195”); and “(B) Water service contracts that were entered under subsection (c)(2) of section 9
70 of the Act of August 4, 1939 (53 Stat. 1194), to be converted under this section shall be
71 converted to a contract under subsection (c)(1) of section 9 of that Act (53 Stat. 1195.”; and

72 [11th] WHEREAS, Section 4011(a)(4)(C) further provides all contracts entered
73 into pursuant to Section 4011(a)(1), (2), and (3) shall “not modify other water service,
74 repayment, exchange and transfer contractual rights between the water users’ association
75 [Contractor], and the Bureau of Reclamation, or any rights, obligations, or relationships of the
76 water users’ association [Contractor] and their landowners as provided under State law.”; and

77 [12th] WHEREAS, Section 4011(d)(3) and (4) of the WIIN Act provides that
78 “implementation of the provisions of this subtitle shall not alter...(3) the priority of a water
79 service or repayment contractor to receive water; or (4) except as expressly provided in this
80 section, any obligations under the Federal Reclamation law, including the continuation of
81 Restoration Fund charges pursuant to section 3407(d) (Pub. L. 102-575), of the water service and
82 repayment contractors making prepayments pursuant to this section.”; and

83 [13th] WHEREAS, upon the request of the Contractor, the WIIN Act directs the
84 Secretary to convert irrigation water service contracts and municipal and industrial (M&I) water
85 service contracts into repayment contracts, amend existing repayment contracts, and allow
86 contractors to prepay their construction cost obligations pursuant to applicable Federal
87 Reclamation law; and

88 [14th] WHEREAS, the United States has determined that the Contractor
89 has fulfilled all of its obligations under the Existing Contract; and

90 [15th] WHEREAS, the Contractor has demonstrated to the satisfaction of the
91 Contracting Officer that the Contractor has utilized the Project Water supplies available
92 to it for reasonable and beneficial use and expects to utilize fully for reasonable and
93 beneficial use the quantity of Project Water to be made available to it pursuant to this
94 Contract; and

95 [16th] WHEREAS, water obtained from the Project has been relied upon by
96 urban and agricultural areas within California for more than 50 years, and is considered
97 by the Contractor as an essential portion of its water supply; and

98 [17th] WHEREAS, the economies of regions within the Project, including the
99 Contractor's, depend upon the continued availability of water, including water service
100 from the Project; and

101 [18th] WHEREAS, the United States Court of Appeals for the Ninth Circuit has
102 held that Section 1(a) of the San Luis Act, Pub. L. 86-488 (74 Stat. 156) imposes on the
103 Secretary of the Interior a duty to provide drainage service to the San Luis Unit; and

104 [19th] WHEREAS, the Contractor and the Contracting Officer recognize that
105 adequate drainage service is required to maintain agricultural production within certain
106 areas served with Project Water made available under this Contract; and

107 [20th] WHEREAS, the Contracting Officer intends, to the extent appropriated
108 funds are available, to develop and implement effective solutions to drainage problems in
109 the San Luis Unit; and

110 [21st] WHEREAS, the Contracting Officer and the Contractor
111 acknowledge that such drainage solutions may involve actions not originally
112 contemplated and/or the construction or use of facilities, other than the San Luis Drain;
113 that the Contractor is investing in drainage solutions for lands within its boundaries that
114 should be considered by the Contracting Officer in determining drainage solutions; and that the
115 existing ratesetting policy as it relates to the allocation and collection of drainage costs may
116 require amendment to recognize those investments by the Contractor and other relevant
117 circumstances; and

118 [22nd] WHEREAS, the Department of the Interior, Bureau of Reclamation
119 published in June 2006 the San Luis Drainage Feature Re-evaluation Final
120 Environmental Impact Statement, which considers alternatives to provide agricultural
121 drainage service to the San Luis Unit; and

122 [23rd] WHEREAS, on March 9, 2007, the Record of Decision was signed for the
123 San Luis Drainage Feature Re-evaluation Final Environmental Impact Statement
124 identifying the retirement of up to 194,000 acres of land from irrigated agricultural
125 productions as the selected alternative; and

126 [24th] WHEREAS, the Secretary intends through coordination, cooperation, and
127 partnerships to pursue measures to improve water supply, water quality, and reliability of the
128 Project for all Project purposes; and

129 [25th] WHEREAS, the mutual goals of the United States and the Contractor
130 include: to provide for reliable Project Water supplies; to control costs of those supplies;
131 to achieve repayment of the Project as required by law; to guard reasonably against Project
132 Water shortages; to achieve a reasonable balance among competing demands for use of
133 Project Water; and to comply with all applicable environmental statutes, all consistent with
134 the legal obligations of the United States relative to the Project; and

135 [26th] WHEREAS, the parties intend by this Contract to maintain a cooperative
136 relationship in order to achieve their mutual goals; and

137 [27th] WHEREAS, the Contractor has utilized or may utilize transfers, contract
138 assignments, rescheduling, and conveyance of Project Water and non-Project water under this
139 Contract as tools to minimize the impacts of a Condition of Shortage and to maximize the
140 beneficial use of water; and

141 [28th] WHEREAS, the parties desire and intend that this Contract not provide a
142 disincentive to the Contractor in continuing to carry out the beneficial activities set out in
143 the Explanatory Recital immediately above; and

144 [29th] WHEREAS, the Contracting Officer and the Contractor agree that this
145 Contract complies with Section 4011 of the WIIN Act; and

146 [30th] WHEREAS, the Contracting Officer and the Contractor agree to amend
147 and convert the Existing Contract pursuant to section 4011 of the WIIN Act and other Federal
148 Reclamation law on the terms and conditions set forth below.

149 NOW, THEREFORE, in consideration of the mutual and dependent covenants
150 herein contained, it is hereby mutually agreed by the parties hereto as follows:

DEFINITIONS

1. When used herein unless otherwise distinctly expressed, or manifestly incompatible with the intent of the parties as expressed in this Contract, the term:

(a) “Additional Capital Obligation” shall mean construction costs or other capitalized costs incurred after the Effective Date of Contract or not reflected in the Existing Capital Obligation as defined herein and in accordance with Section 4011, subsection (a)(2)(B) and (a)(3)(B) of the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130 Stat. 1628) (“WIIN Act”);

(b) “Calendar Year” shall mean the period January 1 through December 31, both dates inclusive;

(c) “Charges” shall mean the payments required by Federal Reclamation law in addition to the Rates and Tiered Pricing Component specified in this Contract as determined annually by the Contracting Officer pursuant to this Contract;

(d) “Condition of Shortage” shall mean a condition respecting the Project during any Year such that the Contracting Officer is unable to deliver sufficient water to meet the Contract;

(e) “Contracting Officer” shall mean the Secretary of the Interior's duly authorized representative acting pursuant to this Contract or applicable Federal Reclamation law or regulation;

(f) “Contract Total” shall mean the maximum amount of water to which the Contractor is entitled under subdivision (a) of Article 3 of this Contract;

172 (g) “Contractor's Service Area” shall mean the area to which the Contractor is
173 permitted to provide Project Water under this Contract as described in Exhibit “A”
174 attached hereto, which may be modified from time to time in accordance with Article 36
175 of this Contract without amendment of this Contract;

176 (h) “CVPIA” shall mean the Central Valley Project Improvement Act, Title
177 XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

178 (i) “Delta Division Facilities” shall mean those existing and future Project
179 facilities in and south of the Sacramento-San Joaquin Rivers Delta, including, but not
180 limited to, the C.W. “Bill” Jones Pumping Plant, the O'Neill Forebay, the O'Neill
181 Pumping/Generating Plant, and the San Luis Reservoir, used to divert, store, and convey
182 water to those Project Contractors entitled to receive water conveyed through the Delta-
183 Mendota Canal;

184 (j) “Eligible Lands” shall mean all lands to which Irrigation Water may be
185 delivered in accordance with Section 204 of the Reclamation Reform Act of 1982 (96 Stat.
186 1263), as amended;

187 (k) “Excess Lands” shall mean all lands in excess of the limitations
188 contained in Section 204 of the Reclamation Reform Act of 1982, other than those lands
189 exempt from acreage limitation under Federal Reclamation law;

190 (l) “Existing Capital Obligation” shall mean the remaining amount of
191 construction costs or other capitalized costs allocable to the Contractor as described in section
192 4011, subsections (a)(2)(A) and (a)(3)(A) of the WIIN Act, and as identified in the Central
193 Valley Project Irrigation Water Rates and/or Municipal and Industrial Water Rates, respectively,
194 in the Final 2020 Ratebooks, as adjusted to reflect payments not reflected in such schedule. The

195 Contracting Officer has computed the Existing Capital Obligation and such amount is set forth in
196 Exhibit D, which is incorporated herein by reference;

197 (m) Omitted

198 (n) “Ineligible Lands” shall mean all lands to which Irrigation Water may
199 not be delivered in accordance with Section 204 of the Reclamation Reform Act of 1982;

200 (o) Omitted

201 (p) “Irrigation Water” shall mean the use of Project Water to irrigate
202 lands primarily for the production of commercial agricultural crops or livestock, and
203 domestic and other uses that are incidental thereto;

204 (q) “Landholder” shall mean a party that directly or indirectly owns or
205 leases nonexempt land, as provided in 43 CFR 426.2;

206 (r) “Municipal and Industrial (M&I) Water” shall mean the use of Project
207 Water for municipal, industrial, and miscellaneous other purposes not falling under the
208 definition of “Irrigation Water” or within another category of water use under an
209 applicable Federal authority;

210 (s) Omitted

211 (t) “Operation and Maintenance” or “O&M” shall mean normal and
212 reasonable care, control, operation, repair, replacement (other than capital replacement),
213 and maintenance of Project facilities;

214 (u) “Operating Non-Federal Entity” shall mean the entity(ies), its (their)
215 successors or assigns, which has (have) the obligation to operate and maintain all or a
216 portion of the Delta Division Facilities pursuant to written agreement(s) with the United
217 States. When this Contract was entered into, the Operating Non-Federal Entities were the
218 San Luis & Delta-Mendota Water Authority and, with respect to San Luis Unit facilities,
219 the California Department of Water Resources, and the Contractor;

220 (v) “Project” shall mean the Central Valley Project owned by the United
221 States and managed by the Department of the Interior, Bureau of Reclamation;
222 (w) “Project Contractors” shall mean all parties who have contracts for
223 water service for Project Water from the Project with the United States pursuant to Federal
224 Reclamation law;
225 (x) “Project Water” shall mean all water that is developed, diverted,
226 stored, or delivered by the Secretary in accordance with the statutes authorizing the
227 Project and in accordance with the terms and conditions of water rights acquired
228 pursuant to California law;
229 (y) “Rates” shall mean the payments determined annually by the
230 Contracting Officer in accordance with the then-current applicable water ratesetting
231 policies for the Project, as described in subdivision (a) of Article 7 of this Contract;
232 (z) Omitted
233 (aa) “Repayment Obligation” for Water Delivered as Irrigation Water shall
234 mean the Existing Capital Obligation discounted by ½ of the Treasury rate, which shall be the
235 amount due and payable to the United States, pursuant to section 4011(a)(2)(A) of the WIIN Act;
236 and for Water Delivered as M&I Water shall mean the amount due and payable to the United
237 States, pursuant to section 4011(a)(3)(A) of the WIIN Act;
238 (bb) “Secretary” shall mean the Secretary of the Interior, a duly appointed
239 successor, or an authorized representative acting pursuant to any authority of the
240 Secretary and through any agency of the Department of the Interior;

241 (cc) "Tiered Pricing Component" shall be the incremental amount to be
242 paid for each acre-foot of Water Delivered as described in Article 7 of this Contract and
243 as provided for in Exhibit B;

244 (dd) "Water Delivered" or "Delivered Water" shall mean Project Water
245 diverted for use by the Contractor at the point(s) of delivery approved by the Contracting
246 Officer;

247 (ee) "Water Made Available" shall mean the estimated amount of
248 Project Water that can be delivered to the Contractor for the upcoming Year as declared
249 by the Contracting Officer, pursuant to subdivision (a) of Article 4 of this Contract;

250 (ff) "Water Scheduled" shall mean Project Water made available to the
251 Contractor for which times and quantities for delivery have been established by the
252 Contractor and Contracting Officer, pursuant to subdivision (b) of Article 4 of this Contract;
253 and

254 (gg) "Year" shall mean the period from and including March 1 of each
255 Calendar Year through the last day of February of the following Calendar Year.

256 TERM OF CONTRACT – RIGHT TO USE OF WATER

257 2. (a) This Contract shall be effective June 1, 2020, hereinafter known as the
258 "Effective Date", and shall continue so long as the Contractor pays applicable Rates and Charges
259 under this Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat.
260 1195) as applicable, and applicable law;

261 (1) Provided, That the Contracting Officer shall not seek to terminate
262 this Contract for failure to fully or timely pay applicable Rates and Charges by the Contactor,
263 unless the Contracting Officer has first provided at least sixty (60) calendar days written notice

264 to the Contractor of such failure to pay and the Contractor has failed to cure such failure to pay,
265 or to diligently commence and maintain full curative payments satisfactory to the Contracting
266 Officer within the sixty (60) calendar days' notice period;

267 (2) *Provided, further, That* the Contracting Officer shall not seek to
268 suspend making water available or declaring Water Made Available pursuant to this Contract for
269 non-compliance by the Contractor with the terms of this Contract or Federal law, unless the
270 Contracting Officer has first provided at least thirty (30) calendar days written notice to the
271 Contractor and the Contractor has failed to cure such non-compliance, or to diligently commence
272 curative actions satisfactory to the Contracting Officer for a non-compliance that cannot be fully
273 cured within the thirty (30) calendar days' notice period. If the Contracting Officer has
274 suspended making water available pursuant to this paragraph, upon cure of such non-compliance
275 satisfactory to the Contracting Officer, the Contracting Officer shall resume making water
276 available and declaring Water Made Available pursuant to this Contract;

277 (3) *Provided, further, That* this Contract may be terminated at any
278 time by mutual consent of the parties hereto.

279 (b) Upon complete payment of the Repayment Obligation by the Contractor,
280 and notwithstanding any Additional Capital Obligation that may later be established, the acreage
281 limitations, reporting, and Full Cost pricing provisions of the Reclamation Reform Act of 1982,
282 and subdivisions (j) Eligible Lands, (k) Excess Lands, and (n) Ineligible Lands of Article 1 of
283 this Contract shall no longer be applicable.

284 (c) Notwithstanding any provision of this Contract, the Contractor reserves
285 and shall have all rights and benefits under the Act of July 2, 1956 (70 Stat. 483), to the extent
286 allowed by law.

287 (d) Notwithstanding any provision of this Contract, the Contractor reserves
288 and shall have all rights and benefits under the Act of June 21, 1963 (77 Stat. 68), to the extent
289 allowed by law.

290 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

291 3. (a) During each Year, consistent with all applicable State water rights
292 permits, and licenses, Federal law, and subject to the provisions set forth in Articles 11 and
293 12 of this Contract, the Contracting Officer shall make available for delivery to the
294 Contractor 1,150,000 acre-feet of Project Water for irrigation and M&I purposes. Water
295 Delivered to the Contractor in accordance with this subdivision shall be scheduled and
296 paid for pursuant to the provisions of Articles 4 and 7 of this Contract.

297 (a) (1) Notwithstanding any other provisions of this Contract, in the
298 event the Secretary implements a program to retire land from irrigated agricultural
299 production within the Contractor's Service Area as a means of addressing drainage in the
300 San Luis Unit, the Contracting Officer shall conduct a water needs assessment to
301 determine whether the Contract Total will be reduced. An initial water needs
302 assessment shall be conducted upon the retirement of 25 percent of the land projected to
303 be retired under such land retirement program. Subsequent assessments shall be conducted
304 upon the retirement of 50 percent and 75 percent of the land projected to be retired and a
305 final assessment will be conducted at the conclusion of the land retirement program. Any water
306 needs assessment performed pursuant to this paragraph (1) shall update the water needs
307 assessment used to compute the quantity of Project Water to be made available under
308 this Contract, which was submitted to the Contractor on November 2, 2000, and shall be
309 conducted pursuant to the methodology attached to this Contract as Exhibit "C." The

310 Contractor may request the Contracting Officer update the methodology employed
311 based upon Contractor-specific information made available to the Contracting Officer
312 by the Contractor. Upon completion of any water needs assessment performed
313 pursuant to this paragraph, the Contracting Officer may make a determination to reduce
314 the quantity of water to be made available under this Contract, and the Contract Total shall be
315 reduced according to that determination; Provided, That so long as the then-existing
316 Contract Total can be put to reasonable and beneficial use as determined by the water
317 needs assessment on Eligible Lands within the Contractor's Service Area that are not
318 retired, the retirement of land shall not affect the quantity of Project Water to be made
319 available pursuant to this Contract.

320 (b) Because the capacity of the Project to deliver Project Water has been
321 constrained in recent years and may be constrained in the future due to many factors
322 including hydrologic conditions and implementation of Federal and State laws, the
323 likelihood of the Contractor actually receiving the amount of Project Water set out in
324 subdivision (a) of this Article in any given Year is uncertain. The Contracting Officer's
325 modeling referenced in the PEIS projected that the Contract Total set forth in this Contract
326 will not be available to the Contractor in many years. Nothing in this subdivision (b) of this
327 Article shall affect the rights and obligations of the parties under any provision of this Contract.

328 (c) The Contractor shall utilize the Project Water in accordance with all
329 applicable legal requirements.

330 (c) (1) In the event any Project Contractor (other than a Cross Valley
331 Contractor) that receives Project Water through the Delta Division Facilities obtains a
332 contractual agreement that the Contracting Officer shall make Project Water available at

333 a point or points of delivery in or north of the Delta, at the request of the Contractor and
334 upon completion of any required environmental documentation, this Contract shall be
335 amended to provide for deliveries in or north of the Delta on mutually agreeable terms.
336 Such amendments to this Contract shall be limited solely to those changes made necessary by
337 the addition of such alternate points of delivery in or north of the Delta; Provided, That
338 the Contracting Officer's use of the Harvey O. Banks Pumping Plant to deliver Project
339 Water does not trigger this right of amendment.

340 (d) The Contractor shall make reasonable and beneficial use of all water
341 furnished pursuant to this Contract. Groundwater recharge programs (direct, indirect, or
342 in lieu), groundwater banking programs, surface water storage programs, and other
343 similar programs utilizing Project Water or other water furnished pursuant to this
344 Contract conducted within the Contractor's Service Area which are consistent with
345 applicable State law and result in use consistent with Federal Reclamation law will be
346 allowed; Provided, That any direct recharge program(s) is (are) described in the
347 Contractor's water conservation plan submitted pursuant to Article 25 of this Contract;
348 Provided, further, That such water conservation plan demonstrates sufficient lawful uses
349 exist in the Contractor's Service Area so that using a long-term average, the quantity of
350 Delivered Water is demonstrated to be reasonable for such uses and in compliance with
351 Federal Reclamation law. Groundwater recharge programs, groundwater banking
352 programs, surface water storage programs, and other similar programs utilizing Project
353 Water or other water furnished pursuant to this Contract conducted outside the
354 Contractor's Service Area may be permitted upon written approval of the Contracting
355 Officer, which approval will be based upon environmental documentation, Project Water

356 rights, and Project operational concerns. The Contracting Officer will address such
357 concerns in regulations, policies, or guidelines.

358 (e) The Contractor shall comply with requirements applicable to the
359 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution
360 of any water service contract between the Contracting Officer and the Contractor in effect
361 immediately prior to the Effective Date of this Contract undertaken pursuant to Section 7 of the
362 Endangered Species Act of 1973 (ESA), as amended, that are within the Contractor's legal
363 authority to implement. The Existing Contract, which evidences in excess of 40 years of
364 diversions for irrigation and/or M&I purposes of the quantities of Project Water provided in
365 subdivision (a) of Article 3 of this Contract, will be considered in developing an appropriate
366 baseline for any required biological assessment(s) prepared pursuant to the ESA, and any other
367 needed environmental review. Nothing herein shall be construed to prevent the Contractor from
368 challenging or seeking judicial relief in a court of competent jurisdiction with respect to any
369 biological opinion or other environmental documentation referred to in this Article.

370 (f) Following the declaration of Water Made Available under Article 4 of
371 this Contract, the Contracting Officer will make a determination whether Project Water, or
372 other water available to the Project, can be made available to the Contractor in addition to
373 the Contract Total under this Article during the Year without adversely impacting other
374 Project Contractors. At the request of the Contractor, the Contracting Officer will
375 consult with the Contractor prior to making such a determination. If the Contracting
376 Officer determines that Project Water, or other water available to the Project, can be
377 made available to the Contractor, the Contracting Officer will announce the availability of
378 such water and shall so notify the Contractor as soon as practical. The Contracting

379 Officer will thereafter meet with the Contractor and other Project Contractors capable of
380 taking such water to determine the most equitable and efficient allocation of such water.
381 If the Contractor requests the delivery of any quantity of such water, the Contracting
382 Officer shall make such water available to the Contractor in accordance with applicable
383 statutes, regulations, guidelines, and policies. Subject to existing interim renewal,
384 repayment, and other long-term contractual commitments, water rights and operational
385 constraints, interim renewal, repayment, and other long-term Project Contractors shall have a
386 first right to acquire such water, including Project Water made available pursuant to
387 Section 215 of the Reclamation Reform Act of 1982.

388 (g) The Contractor may request permission to reschedule for use during
389 the subsequent Year some or all of the Water Made Available to the Contractor during
390 the current Year, referred to as “rescheduled water.” The Contractor may request
391 permission to use during the current Year a quantity of Project Water which may be
392 made available by the United States to the Contractor during the subsequent Year referred
393 to as “preuse.” The Contracting Officer's written approval may permit such uses in
394 accordance with applicable statutes, regulations, guidelines, and policies.

395 (h) The Contractor's right pursuant to Federal Reclamation law and
396 applicable State law to the reasonable and beneficial use of the Water Delivered pursuant to
397 this Contract shall not be disturbed, and this Contract shall continue so long as the
398 Contractor pays applicable Rates and Charges under this Contract consistent with Section
399 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195) as applicable, and applicable
400 law. Nothing in the preceding sentence shall affect the Contracting Officer's ability to impose
401 shortages under Article 11 or subdivision (b) of Article 12 of this Contract.

TIME FOR DELIVERY OF WATER

415 4. (a) On or about February 20 each Calendar Year, the Contracting Officer
416 shall announce the Contracting Officer's expected declaration of the Water Made
417 Available. Such declaration will be expressed in terms of Water Made Available and
418 will be updated monthly, and more frequently if necessary, based on the then-current
419 operational and hydrologic conditions and a new declaration with changes, if any, to the
420 Water Made Available will be made. The Contracting Officer shall provide forecasts of
421 Project operations and the basis of the estimate, with relevant supporting information,
422 upon the written request of the Contractor.

425 Contracting Officer, showing the monthly quantities of Project Water to be delivered by
426 the United States to the Contractor pursuant to this Contract for the Year commencing
427 on such March 1. The Contracting Officer shall use all reasonable means to deliver
428 Project Water according to the approved schedule for the Year commencing on such
429 March 1.

430 (c) The Contractor shall not schedule Project Water in excess of the
431 quantity of Project Water the Contractor intends to put to reasonable and beneficial use
432 within the Contractor's Service Area or to sell, transfer, or exchange pursuant to Article
433 9 of this Contract during any Year.

434 (d) Subject to the conditions set forth in subdivision (a) of Article 3 of this
435 Contract, the United States shall deliver Project Water to the Contractor in accordance
436 with the initial schedule submitted by the Contractor pursuant to subdivision (b) of this
437 Article, or any written revision(s) thereto satisfactory to the Contracting Officer, submitted
438 within a reasonable time prior to the date(s) on which the requested change(s) is (are) to
439 be implemented.

440 **POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER**

441 5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this
442 Contract shall be delivered to the Contractor at Project facilities and any additional point or
443 points of delivery either on Project facilities or another location or locations mutually
444 agreed to in writing by the Contracting Officer and the Contractor.

445 (b) The Contracting Officer, either directly or indirectly through its
446 written agreements(s) with the Operating Non-Federal Entity(ies), shall make all
447 reasonable efforts to maintain sufficient flows and levels of water in the Project facilities

448 to deliver Project Water to the Contractor at the point or points of delivery established
449 pursuant to subdivision (a) of this Article.

450 (c) The Contractor shall deliver Irrigation Water in accordance with any
451 applicable land classification provisions of Federal Reclamation law and the associated
452 regulations. The Contractor shall not deliver Project Water to land outside the
453 Contractor's Service Area unless approved in advance by the Contracting Officer.

454 (d) All Water Delivered to the Contractor pursuant to this Contract shall
455 be measured and recorded with equipment furnished, installed, operated, and maintained
456 by the Contracting Officer either directly or indirectly through its written agreements(s)
457 with the Operating Non-Federal Entity(ies), unless undertaken by the Contractor with
458 the consent of the Contracting Officer at the point or points of delivery established
459 pursuant to subdivision (a) of this Article. Upon the request of either party to this
460 Contract, the Contracting Officer shall investigate, or cause to be investigated by the
461 appropriate Operating Non-Federal Entity(ies), the accuracy of such measurements and
462 shall take any necessary steps to adjust any errors appearing therein. For any period of
463 time when accurate measurements have not been made, the Contracting Officer shall
464 consult with the Contractor and the appropriate Operating Non-Federal Entity(ies), if any,
465 prior to making a final determination of the quantity delivered for that period of time.

466 (e) Absent a separate contrary written agreement with the Contractor,
467 neither the Contracting Officer nor any Operating Non-Federal Entity(ies) shall be
468 responsible for the control, carriage, handling, use, disposal, or distribution of Water
469 Delivered to the Contractor pursuant to this Contract beyond the point or points of
470 delivery established pursuant to subdivision (a) of this Article. The Contractor shall

471 indemnify the United States, its officers, employees, agents, and assigns on account of
472 damage or claim of damage of any nature whatsoever for which there is legal
473 responsibility, including property damage, personal injury, or death arising out of or
474 connected with the control, carriage, handling, use, disposal, or distribution of such Water
475 Delivered beyond such point or points of delivery except for any damage or claim arising
476 out of: (i) acts or omissions of the Contracting Officer or any of its officers, employees,
477 agents, and assigns, including the Operating Non-Federal Entity(ies) with the intent of
478 creating the situation resulting in any damage or claim; (ii) willful misconduct of the
479 Contracting Officer or any of its officers, employees, agents, and assigns, including the
480 Operating Non-Federal Entity(ies); (iii) negligence of the Contracting Officer or any of its
481 officers, employees, agents, and assigns, including the Operating Non-Federal Entity(ies);
482 (iv) a malfunction of facilities owned and/or operated by the United States or the Operating
483 Non-Federal Entity(ies); or (v) failure of the United States, its officers, employees, agents,
484 and assigns, including the Operating Non-Federal Entity(ies), to provide drainage service.

485 **MEASUREMENT OF WATER WITHIN THE CONTRACTOR'S SERVICE AREA**

486 6. (a) The Contractor has established a measuring program satisfactory to
487 the Contracting Officer. The Contractor shall ensure that all surface water delivered for
488 irrigation purposes within the Contractor's Service Area is measured at each agricultural
489 turnout and such water delivered for M&I purposes is measured at each M&I service
490 connection. The water measuring devices or water measuring methods of comparable
491 effectiveness must be acceptable to the Contracting Officer. The Contractor shall be
492 responsible for installing, operating, maintaining, and repairing all such measuring devices
493 and implementing all such water measuring methods at no cost to the United States. The

494 Contractor shall use the information obtained from such water measuring devices or
495 water measuring methods to ensure its proper management of the water; to bill water users for
496 water delivered by the Contractor; and, if applicable, to record water delivered for M&I
497 purposes by customer class as defined in the Contractor's water conservation plan
498 provided for in Article 25 of this Contract. Nothing herein contained, however, shall
499 preclude the Contractor from establishing and collecting any charges, assessments, or
500 other revenues authorized by California law. The Contractor shall include a summary of
501 all its annual surface water deliveries in the annual report described in subdivision (c) of
502 Article 25 of this Contract.

503 (b) To the extent the information has not otherwise been provided, upon
504 execution of this Contract, the Contractor shall provide to the Contracting Officer a written
505 report describing the measurement devices or water measuring methods being used or to
506 be used to implement subdivision (a) of this Article and identifying the agricultural
507 turnouts and the M&I service connections or alternative measurement programs
508 approved by the Contracting Officer, at which such measurement devices or water
509 measuring methods are being used, and, if applicable, identifying the locations at which
510 such devices and/or methods are not yet being used including a time schedule for
511 implementation at such locations. The Contracting Officer shall advise the Contractor
512 in writing within 60 days as to the adequacy and necessary modifications, if any, of the
513 measuring devices or water measuring methods identified in the Contractor's report and
514 if the Contracting Officer does not respond in such time, they shall be deemed adequate.
515 If the Contracting Officer notifies the Contractor that the measuring devices or methods
516 are inadequate, the parties shall within 60 days following the Contracting Officer's

517 response, negotiate in good faith the earliest practicable date by which the Contractor shall
518 modify said measuring devices and/or measuring methods as required by the Contracting
519 Officer to ensure compliance with subdivision (a) of this Article.

520 (c) All new surface water delivery systems installed within the Contractor's
521 Service Area after the Effective Date of this Contract shall also comply with the
522 measurement provisions described in subdivision (a) of this Article.

523 (d) The Contractor shall inform the Contracting Officer and the State of
524 California in writing by April 30 of each Year of the monthly volume of surface water
525 delivered within the Contractor's Service Area during the previous Year.

526 (e) The Contractor shall inform the Contracting Officer and the Operating
527 Non-Federal Entity(ies) on or before the 20th calendar day of each month of the quantity
528 of Irrigation Water and M&I Water taken during the preceding month.

529 **RATES, METHOD OF PAYMENT FOR WATER AND ACCELERATED**
530 **REPAYMENT OF FACILITIES**

531 7. (a) Notwithstanding the Contractor's full prepayment of the
532 Repayment Obligation pursuant to section 4011, subsection (a)(2)(A) and subsection
533 (a)(3)(A) of the WIIN Act, as set forth in Exhibit D, and any payments required
534 pursuant to section 4011, subsection (b) of the WIIN Act, to reflect the adjustment for
535 the final cost allocation as described in this Article, subsection (b), the Contractor's
536 Project construction and other obligations shall be determined in accordance with: (i)
537 the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and the Secretary's
538 then-existing ratesetting policy for M&I Water, consistent with the WIIN Act; and such
539 ratesetting policies shall be amended, modified, or superseded only through a public
540 notice and comment procedure; (ii) applicable Federal Reclamation law and associated

541 rules and regulations, or policies, and (iii) other applicable provisions of this Contract.
542 Payments shall be made by cash transaction, electronic funds transfers, or any other
543 mechanism as may be agreed to in writing by the Contractor and the Contracting Officer.
544 The Rates, Charges, and Tiered Pricing Component applicable to the Contractor upon
545 execution of this Contract are set forth in Exhibit "B," as may be revised annually.

546 (1) The Contractor shall pay the United States as provided for in this
547 Article of this Contract for all Delivered Water at Rates, Charges, and Tiered Pricing Component
548 in accordance with policies for Irrigation Water and M&I Water. The Contractor's Rates shall
549 be established to recover its estimated reimbursable costs included in the operation and
550 maintenance component of the Rate and amounts established to recover deficits and other
551 charges, if any, including construction costs as identified in the following subdivisions.

552 (2) In accordance with the WIIN Act, the Contractor's allocable share
553 of Project construction costs will be repaid pursuant to the provisions of this Contract.

554 (A) The amount due and payable to the United States, pursuant
555 to the WIIN Act, shall be the Repayment Obligation. The Repayment Obligation has been
556 computed by the Contracting Officer in a manner consistent with the WIIN Act and is set forth
557 as a lump sum payment (M&I and Irrigation) and as four (4) approximately equal annual
558 installments (Irrigation Only) to be repaid no later than three (3) years after the Effective Date of
559 this Contract as set forth in Exhibit D. The Repayment Obligation is due in lump sum by July
560 31, 2020 as provided by the WIIN Act. The Contractor must provide appropriate notice to the
561 Contracting Officer in writing no later than thirty (30) days prior to the Effective Date if electing
562 to repay the amount due using the lump sum alternative. If such notice is not provided by such
563 date, the Contractor shall be deemed to have elected the installment payment alternative, in

564 which case, the first such payment shall be made no later than July 31, 2020. The second
565 payment shall be made no later than the first anniversary of the first payment date. The third
566 payment shall be made no later than the second anniversary of the first payment date. The final
567 payment shall be made no later than June 1, 2023. If the installment payment option is elected
568 by the Contractor, the Contractor may pre-pay the remaining portion of the Repayment
569 Obligation by giving the Contracting Officer sixty (60) days written notice, in which case, the
570 Contracting Officer shall re-compute the remaining amount due to reflect the pre-payment using
571 the same methodology as was used to compute the initial annual installment payment amount,
572 which is illustrated in Exhibit D. Notwithstanding any Additional Capital Obligation that may
573 later be established, receipt of the Contractor's payment of the Repayment Obligation to the
574 United States shall fully and permanently satisfy the Existing Capital Obligation.

575 (B) Additional Capital Obligations that are not reflected in, the
576 schedules referenced in Exhibit D and properly assignable to the Contractor, shall be repaid as
577 prescribed by the WIIN Act without interest except as required by law. Consistent with Federal
578 Reclamation law, interest shall continue to accrue on the M&I portion of the Additional Capital
579 Obligation assigned to the Contractor until such costs are paid. Increases or decreases in the
580 Additional Capital Obligation assigned to the Contractor caused solely by annual adjustment of
581 the Additional Capital Obligation assigned to each Project contractor by the Secretary shall not
582 be considered in determining the amounts to be paid pursuant to this subdivision (a)(2)(B),
583 however, will be considered under subdivision (b) of this Article. A separate agreement shall be
584 established by the Contractor and the Contracting Officer to accomplish repayment of the
585 Additional Capital Obligation assigned to the Contractor within the timeframe prescribed by the
586 WIIN Act, subject to the following:

609 (c) The Contracting Officer shall notify the Contractor of the Rates, Charges,
610 and Tiered Pricing Component as follows:

611 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall
612 provide the Contractor an estimate of the Charges for Project Water that will be applied
613 to the period October 1, of the current Calendar Year, through September 30, of the
614 following Calendar Year, and the basis for such estimate. The Contractor shall be
615 allowed not less than two months to review and comment on such estimates. On or
616 before September 15 of each Calendar Year, the Contracting Officer shall notify the
617 Contractor in writing of the Charges to be in effect during the period October 1 of the current
618 Calendar Year, through September 30, of the following Calendar Year, and such
619 notification shall revise Exhibit "B."

620 (2) Prior to October 1 of each Calendar Year, the Contracting Officer
621 shall make available to the Contractor an estimate of the Rates and Tiered Pricing Component
622 for Project Water for the following Year and the computations and cost allocations upon which
623 those Rates are based. The Contractor shall be allowed not less than two months to review and
624 comment on such computations and cost allocations. By December 31 of each Calendar Year,
625 the Contracting Officer shall provide the Contractor with the final Rates and Tiered Pricing
626 Component to be in effect for the upcoming Year, and such notification shall revise Exhibit
627 "B."

628 (d) At the time the Contractor submits the initial schedule for the delivery of
629 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the
630 Contractor shall make an advance payment to the United States equal to the total amount
631 payable pursuant to the applicable Rate(s) set under subdivision (a) of this Article, for the

632 Project Water scheduled to be delivered pursuant to this Contract during the first two
633 calendar months of the Year. Before the end of the first month and before the end of
634 each calendar month thereafter, the Contractor shall make an advance payment to the
635 United States, at the Rate(s) set under subdivision (a) of this Article, for the Water
636 Scheduled to be delivered pursuant to this Contract during the second month
637 immediately following. Adjustments between advance payments for Water Scheduled
638 and payments at Rates due for Water Delivered shall be made before the end of the
639 following month; Provided, That any revised schedule submitted by the Contractor
640 pursuant to Article 4 of this Contract which increases the amount of Water Delivered
641 pursuant to this Contract during any month shall be accompanied with appropriate
642 advance payment, at the Rates then in effect, to assure that Project Water is not
643 delivered to the Contractor in advance of such payment. In any month in which the
644 quantity of Water Delivered to the Contractor pursuant to this Contract equals the
645 quantity of Water Scheduled and paid for by the Contractor, no additional Project Water
646 shall be delivered to the Contractor unless and until an advance payment at the Rates
647 then in effect for such additional Project Water is made. Final adjustment between the
648 advance payments for the Water Scheduled and payments for the quantities of Water
649 Delivered during each Year pursuant to this Contract shall be made as soon as
650 practicable but no later than April 30th of the following Year, or 60 days after the
651 delivery of Project Water rescheduled under subdivision (g) of Article 3 of this Contract
652 if such water is not delivered by the last day of February.

653 (e) The Contractor shall also make a payment in addition to the Rate(s) in
654 subdivision (d) of this Article to the United States for Water Delivered, at the Charges and the

655 applicable Tiered Pricing Component then in effect, before the end of the month following
656 the month of delivery; *Provided, That* the Contractor may be granted an exception from
657 the Tiered Pricing Component pursuant to subdivision (k)(2) of this Article. The
658 payments shall be consistent with the quantities of Irrigation Water and M&I Water Delivered as
659 shown in the water delivery report for the subject month prepared by the Operating Non-Federal
660 Entity(ies) or, if there is no Operating Non-Federal Entity(ies), by the Contracting Officer. The
661 water delivery report shall be deemed a bill for the payment of Charges and the applicable
662 Tiered Pricing Component for Water Delivered. Adjustment for overpayment or
663 underpayment of Charges shall be made through the adjustment of payments due to the United
664 States for Charges and Tiered Pricing Component for the next month. Any amount to be paid
665 for past due payment of Charges and Tiered Pricing Component shall be computed pursuant to
666 Article 19 of this Contract.

667 (f) The Contractor shall pay for any Water Delivered under subdivision
668 (a), (f), or (g) of Article 3 of this Contract as determined by the Contracting Officer
669 pursuant to applicable statutes, associated regulations, any applicable provisions of
670 guidelines or ratesetting policies; *Provided, That* the Rate for Water Delivered under
671 subdivision (f) of Article 3 of this Contract shall be no more than the otherwise
672 applicable Rate for Irrigation Water or M&I Water under subdivision (a) of this Article.

673 (g) Payments to be made by the Contractor to the United States under this
674 Contract may be paid from any revenues available to the Contractor.

675 (h) All revenues received by the United States from the Contractor
676 relating to the delivery of Project Water or the delivery of non-Project water through
677 Project facilities shall be allocated and applied in accordance with Federal Reclamation

678 law and the associated rules or regulations, and the then-current Project ratesetting policies
679 for M&I Water or Irrigation Water.

680 (i) The Contracting Officer shall keep its accounts pertaining to the
681 administration of the financial terms and conditions of its long-term contracts, in accordance
682 with applicable Federal standards, so as to reflect the application of Project costs and
683 revenues. The Contracting Officer shall, each Year upon request of the Contractor,
684 provide to the Contractor a detailed accounting of all Project and Contractor expense
685 allocations, the disposition of all Project and Contractor revenues, and a summary of all
686 water delivery information. The Contracting Officer and the Contractor shall enter into
687 good faith negotiations to resolve any discrepancies or disputes relating to accountings,
688 reports, or information.

689 (j) The parties acknowledge and agree that the efficient administration of this
690 Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms,
691 policies, and procedures used for establishing Rates, Charges, and Tiered Pricing Component,
692 and/or for making and allocating payments, other than those set forth in this Article may be in
693 the mutual best interest of the parties, it is expressly agreed that the parties may enter into
694 agreements to modify the mechanisms, policies, and procedures for any of those purposes while
695 this Contract is in effect without amending this Contract.

696 (k) 1. Beginning at such time as deliveries of Project Water in a Year
697 exceed 80 percent of the Contract Total, then before the end of the month following the month of
698 delivery the Contractor shall make an additional payment to the United States equal to the
699 applicable Tiered Pricing Component. The Tiered Pricing Component for the amount of Water
700 Delivered in excess of 80 percent of the Contract Total, but less than or equal to 90 percent of the

701 Contract Total, shall equal one-half of the difference between the Rate established under
702 subdivision (a) of this Article and the Irrigation Full Cost Water Rate or M&I Full Cost Water
703 Rate, whichever is applicable. The Tiered Pricing Component for the amount of Water
704 Delivered which exceeds 90 percent of the Contract Total shall equal the difference between (i)
705 the Rate established under subdivision (a) of this Article and (ii) the Irrigation Full Cost Water
706 Rate or M&I Full Cost Water Rate, whichever is applicable. For all Water Delivered pursuant to
707 subdivision (a) of Article 3 of this Contract which is in excess of 80 percent of the Contract
708 Total, this increment shall be deemed to be divided between Irrigation Water and M&I Water in
709 the same proportion as actual deliveries of each bear to the cumulative total Water Delivered.

710 2. Subject to the Contracting Officer's written approval, the
711 Contractor may request and receive an exemption from such Tiered Pricing Component for
712 Project Water delivered to produce a crop which the Contracting Officer determines will provide
713 significant and quantifiable habitat values for waterfowl in fields where the water is used and the
714 crops are produced; *Provided, That* the exemption from the Tiered Pricing Component for
715 Irrigation Water shall apply only if such habitat values can be assured consistent with the
716 purposes of the CVPIA through binding agreements executed with or approved by the
717 Contracting Officer prior to use of such water.

718 3. For purposes of determining the applicability of the Tiered Pricing
719 Component pursuant to this Article, Water Delivered shall include Project Water that the
720 Contractor transfers to others but shall not include Project Water transferred to the Contractor,
721 nor shall it include the additional water provided to the Contractor under the provisions of
722 subdivision (f) of Article 3 of this Contract.

723 (l) For the term of this Contract, Rates applied under the respective

724 ratesetting policies will be established to recover only reimbursable O&M (including any
725 deficits) and capital costs of the Project, as those terms are used in the then-current Project
726 ratesetting policies, and interest, where appropriate, except in instances where a minimum
727 Rate is applicable in accordance with the relevant Project ratesetting policy. Changes of
728 significance in practices which implement the Contracting Officer's ratesetting policies will
729 not be implemented until the Contracting Officer has provided the Contractor an opportunity
730 to discuss the nature, need, and impact of the proposed change.

731 (m) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the
732 CVPIA, the Rates for Project Water transferred by the Contractor shall be the
733 Contractor's Rates, in accordance with the applicable Project ratesetting policy, adjusted
734 upward or downward to reflect the changed costs, if any, incurred by the Contracting Officer
735 in the delivery of the transferred Project Water to the transferee's point of delivery. If the
736 Contractor is receiving lower Rates and Charges because of inability to pay and is
737 transferring Project Water to another entity whose Rates and Charges are not adjusted
738 due to inability to pay, the Rates and Charges for transferred Project Water shall not be
739 adjusted to reflect the Contractor's inability to pay.

740 (n) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting
741 Officer is authorized to adjust determinations of ability to pay every five years.

742 **NON-INTEREST BEARING O&M DEFICITS**

743 8. The Contractor and the Contracting Officer concur that, as of the Effective Date
744 of this Contract the Contractor has no non-interest bearing O&M deficits and shall have
745 no further liability therefore.

746 SALES, TRANSFERS, OR EXCHANGES OF WATER

747 9. (a) The right to receive Project Water provided for in this Contract may be
748 sold, transferred, or exchanged to others for reasonable and beneficial uses within the
749 State of California if such sale, transfer, or exchange is authorized by applicable Federal
750 and State laws, and applicable guidelines or regulations then in effect. No sale, transfer,
751 or exchange of Project Water under this Contract may take place without the prior
752 written approval of the Contracting Officer, except as provided for in subdivision (b) of
753 this Article, and no such sales, transfers, or exchanges shall be approved absent all
754 appropriate environmental documentation, including, but not limited to, documents
755 prepared pursuant to the NEPA and ESA. Such environmental documentation should
756 include, as appropriate, an analysis of groundwater impacts and economic and social
757 effects, including environmental justice, of the proposed water transfers on both the
758 transferor and transferee.

759 (b) In order to facilitate efficient water management by means of water
760 transfers of the type historically carried out among Project Contractors located within the
761 same geographical area and to allow the Contractor to participate in an accelerated water
762 transfer program during the term of this Contract, the Contracting Officer shall prepare, as
763 appropriate, all necessary environmental documentation, including, but not limited to,
764 documents prepared pursuant to the NEPA and ESA, analyzing annual transfers within
765 such geographical areas and the Contracting Officer shall determine whether such
766 transfers comply with applicable law. Following the completion of the environmental
767 documentation, such transfers addressed in such documentation shall be conducted with
768 advance notice to the Contracting Officer, but shall not require prior written approval by

769 the Contracting Officer. Such environmental documentation and the Contracting
770 Officer's compliance determination shall be reviewed every five years and updated, as
771 necessary, prior to the expiration of the then existing five (5)-year period. All subsequent
772 environmental documentation shall include an alternative to evaluate not less than the quantity of
773 Project Water historically transferred within the same geographical area.

774 (c) For a water transfer to qualify under subdivision (b) of this Article, such
775 water transfer must: (i) be for irrigation purposes for lands irrigated within the previous three
776 years, for M&I use, groundwater recharge, groundwater banking, or similar groundwater
777 activities, surface water storage, or fish and wildlife resources; not lead to land
778 conversion; and be delivered to established cropland, wildlife refuges, groundwater basins, or
779 M&I use; (ii) occur within a single Year; (iii) occur between a willing seller and a willing
780 buyer; (iv) convey water through existing facilities with no new construction or
781 modifications to facilities and be between existing Project Contractors and/or the Contractor
782 and the United States, Department of the Interior; and (v) comply with all applicable
783 Federal, State, and local or tribal laws and requirements imposed for protection of the
784 environment and Indian Trust Assets, as defined under Federal law.

785 **APPLICATION OF PAYMENTS AND ADJUSTMENTS**

786 10. (a) The amount of any overpayment by the Contractor of the Contractor's
787 O&M, capital, and deficit (if any) obligations for the Year shall be applied first to any current
788 liabilities of the Contractor arising out of this Contract then due and payable.
789 Overpayments of more than \$1,000 shall be refunded at the Contractor's request. In lieu of a
790 refund, any amount of such overpayment, at the option of the Contractor, may be credited
791 against amounts to become due to the United States by the Contractor. With respect to

792 overpayment, such refund or adjustment shall constitute the sole remedy of the Contractor or
793 anyone having or claiming to have the right to the use of any of the Project Water supply
794 provided for herein. All credits and refunds of overpayments shall be made within 30
795 days of the Contracting Officer obtaining direction as to how to credit or refund such
796 overpayment in response to the notice to the Contractor that it has finalized the accounts for the
797 Year in which the overpayment was made.

798 (b) All advances for miscellaneous costs incurred for work requested by the
799 Contractor pursuant to Article 24 of this Contract shall be adjusted to reflect the actual
800 costs when the work has been completed. If the advances exceed the actual costs incurred, the
801 difference will be refunded to the Contractor. If the actual costs exceed the Contractor's
802 advances, the Contractor will be billed for the additional costs pursuant to Article 24 of this
803 Contract.

804 **TEMPORARY REDUCTIONS – RETURN FLOWS**

805 11. (a) Subject to: (i) the authorized purposes and priorities of the Project and the
806 requirements of Federal law, and (ii) the obligations of the United States under existing
807 contracts, or renewals thereof, providing for water deliveries from the Project, the
808 Contracting Officer shall make all reasonable efforts to optimize Project Water deliveries to
809 the Contractor as provided in this Contract.

810 (b) The Contracting Officer or Operating Non-Federal Entity(ies) may
811 temporarily discontinue or reduce the quantity of Water Delivered to the Contractor as
812 herein provided for the purposes of investigation, inspection, maintenance, repair, or
813 replacement of any of the Project facilities or any part thereof necessary for the delivery of
814 Project Water to the Contractor, but so far as feasible the Contracting Officer or Operating

815 Non-Federal Entity(ies) will give the Contractor due notice in advance of such temporary
816 discontinuance or reduction, except in case of emergency, in which case no notice need be
817 given; Provided, That the United States shall use its best efforts to avoid any
818 discontinuance or reduction in such service. Upon resumption of service after such
819 discontinuance or reduction, and if requested by the Contractor, the United States will, if
820 possible, deliver the quantity of Project Water which would have been delivered
821 hereunder in the absence of such discontinuance or reduction.

822 (c) The United States reserves the right to all seepage and return flow
823 water derived from Water Delivered to the Contractor hereunder which escapes or is
824 discharged beyond the Contractor's Service Area; Provided, That this shall not be construed
825 as claiming for the United States any right to seepage or return flow being put to
826 reasonable and beneficial use pursuant to this Contract within the Contractor's Service
827 Area by the Contractor or those claiming by, through, or under the Contractor.

828 CONSTRAINTS ON THE AVAILABILITY OF WATER

829 12. (a) In its operation of the Project, the Contracting Officer will use all
830 reasonable means to guard against a Condition of Shortage in the quantity of Project
831 Water to be made available to the Contractor pursuant to this Contract. In the event the
832 Contracting Officer determines that a Condition of Shortage appears probable, the
833 Contracting Officer will notify the Contractor of said determination as soon as practicable.

834 (b) If there is a Condition of Shortage because of inaccurate runoff forecasting
835 or other similar operational errors affecting the Project; drought and other physical or natural
836 causes beyond the control of the Contracting Officer; or actions taken by the Contracting
837 Officer to meet current and future legal obligations, then, except as provided in subdivision (a) of
838 Article 17 of this Contract, no liability shall accrue against the United States or any of its
839 officers, agents, or employees for any damage, direct or indirect, arising therefrom.

840 (c) In any Year in which there may occur a Condition of Shortage for any of
841 the reasons specified in subdivision (b) of this Article, and subject to subdivision (d) of this
842 Article, the Contracting Officer will first allocate the available Project Water consistent

843 with the Project M&I Water Shortage Policy in its form applicable under this Article 12(c) of
844 water service contracts in effect on the date of this Contract which provide water service
845 from Delta Division Facilities for determining the amount of Project Water Available
846 for delivery to the Project Contractors. Subject to the foregoing allocation, in any year
847 in which there may occur a Condition of Shortage, the Contracting Officer shall then
848 apportion Project Water among the Contractor and others entitled to Project Water from
849 Delta Division Facilities under long-term water service or repayment contracts (or
850 renewals thereof or binding commitments therefore) in force on February 28, 2005, as
851 follows:

852 (1) The Contracting Officer shall make an initial and subsequent
853 determination as necessary of the total quantity of Project Water estimated to be
854 scheduled or actually scheduled under subdivision (b) of Article 4 of this Contract and
855 under all other interim renewal, long-term water service or repayment contracts then in
856 force for the delivery of Project Water by the United States from Delta Division Facilities
857 during the relevant Year, the quantity so determined being hereinafter referred to as the
858 scheduled total;

859 (2) A determination shall be made of the total quantity of Project
860 Water that is available for meeting the scheduled total, the quantity so determined being
861 hereinafter referred to as the available supply;

862 (3) The total quantity of Project Water estimated to be scheduled or
863 actually scheduled by the Contractor during the relevant Year, under subdivision (b) of
864 Article 4 hereof, shall be divided by the scheduled total, the quotient thus obtained being
865 hereinafter referred to as the Contractor's proportionate share; and

887 (e) Omitted

UNAVOIDABLE GROUNDWATER PERCOLATION

889 13. To the extent applicable, the Contractor shall not be deemed to have delivered
890 Irrigation Water to Excess Lands or Ineligible Lands within the meaning of this Contract if
891 such lands are irrigated with groundwater that reaches the underground strata as an
892 unavoidable result of the delivery of Irrigation Water by the Contractor to Eligible Lands.

COMPLIANCE WITH FEDERAL RECLAMATION LAWS

894 14. The parties agree that the delivery of Irrigation Water or use of Federal facilities
895 pursuant to this Contract is subject to Federal Reclamation law, including but not limited
896 to, the Reclamation Reform Act of 1982 (43 U.S.C. 390aa *et seq.*), as amended and
897 supplemented, and the rules and regulations promulgated by the Secretary of the Interior
898 under Federal Reclamation law.

PROTECTION OF WATER AND AIR QUALITY

900 15. (a) The Contractor, without expense to the United States, will care for,
901 operate and maintain transferred works in a manner that preserves the quality of the water at the
902 highest feasible level as determined by the Contracting Officer.

915 (d) This Article shall not affect or alter any legal obligations of the Secretary
916 to provide drainage or other discharge services.

920 ratesetting policy for Irrigation Water; *Provided, That* such ratesetting policy shall be
921 amended, modified, or superseded only through the process described in subdivision (a)
922 of Article 7 of this Contract.

923 **WATER ACQUIRED BY THE CONTRACTOR OTHER THAN FROM THE UNITED**
924 **STATES**

925 16. (a) Water or water rights now owned or hereafter acquired by the Contractor
926 other than from the United States and Irrigation Water furnished pursuant to the terms of
927 this Contract may be simultaneously transported through the same distribution facilities
928 of the Contractor subject to the following: (i) if the facilities utilized for commingling
929 Irrigation Water and non-Project water were constructed without funds made available
930 pursuant to Federal Reclamation law, the provisions of Federal Reclamation law will be
931 applicable only to the Landholders of lands which receive Irrigation Water; (ii) the
932 eligibility of land to receive Irrigation Water must be established through the certification
933 requirements as specified in the Acreage Limitation Rules and Regulations (43 CFR Part
934 426); (iii) the water requirements of Eligible Lands within the Contractor's Service Area
935 can be established and the quantity of Irrigation Water to be utilized is less than or equal to
936 the quantity necessary to irrigate such Eligible Lands; and (iv) if the facilities utilized for
937 commingling Irrigation Water and non-Project water are (were) constructed with funds
938 made available pursuant to Federal Reclamation law, the non-Project water will be
939 subject to the acreage limitation provisions of Federal Reclamation law, unless the
940 Contractor pays to the United States the incremental fee described in 43 CFR 426.15. In
941 determining the incremental fee, the Contracting Officer will calculate annually the cost
942 to the Federal Government, including interest, of storing or delivering non-Project water,
943 which for purposes of this Contract shall be determined as follows: The quotient shall

944 be the unpaid distribution system costs divided by the total irrigable acreage within the
945 Contractor's Service Area. The incremental fee per acre is the mathematical result of
946 such quotient times the interest rate determined using Section 202 (3) of the Act of
947 October 12, 1982 (96 Stat. 1263). Such incremental fee will be charged to each acre of
948 excess or full-cost land within the Contractor's Service Area that receives non-Project
949 water through Federally financed or constructed facilities. The incremental fee calculation
950 methodology will continue during the term of this Contract absent the promulgation of a
951 contrary Bureau of Reclamation-wide rule, regulation, or policy adopted after the
952 Contractor has been afforded the opportunity to review and comment on the proposed
953 rule, regulation, or policy. If such rule, regulation, or policy is adopted, it shall supersede
954 this provision.

955 (b) Water or water rights now owned or hereafter acquired by the
956 Contractor, other than from the United States may be stored, conveyed, and/or diverted
957 through Project facilities, subject to the completion of appropriate environmental
958 documentation, with the approval of the Contracting Officer and the execution of any
959 contract determined by the Contracting Officer to be necessary, consistent with the
960 following provisions:

961 (1) The Contractor may introduce non-Project water into Project
962 facilities and deliver said water to lands within the Contractor's Service Area, including
963 Ineligible Lands, subject to payment to the United States and/or to any applicable
964 Operating Non-Federal Entity of an appropriate rate as determined by the applicable
965 Project ratesetting policy, the Reclamation Reform Act of 1982, and the Project use
966 power policy, if such Project use power policy is applicable, each as amended, modified, or

967 superseded from time to time.

968 (2) Delivery of such non-Project water in and through Project
969 facilities shall only be allowed to the extent such deliveries do not: (i) interfere with
970 other Project purposes as determined by the Contracting Officer; (ii) reduce the quantity or
971 quality of water available to other Project Contractors; (iii) interfere with the delivery of
972 contractual water entitlements to any other Project Contractors; or (iv) interfere with the
973 physical maintenance of the Project facilities.

974 (3) Neither the United States nor the Operating Non-Federal
975 Entity(ies) shall be responsible for control, care, or distribution of the non-Project water
976 before it is introduced into or after it is delivered from the Project facilities. The
977 Contractor hereby releases and agrees to defend and indemnify the United States and the
978 Operating Non-Federal Entity(ies), and their respective officers, agents, and employees,
979 from any claim for damage to persons or property, direct or indirect, resulting from the
980 act(s) of the Contractor, its officers, employees, agents, or assigns, in (i) extracting or
981 diverting non-Project water from any source, or (ii) diverting such non-Project water into
982 Project facilities.

983 (4) Diversion of such non-Project water into Project facilities shall
984 be consistent with all applicable laws, and if involving groundwater, consistent with any
985 applicable groundwater management plan for the area from which it was extracted.

986 (5) After Project purposes are met, as determined by the
987 Contracting Officer, the United States and Project Contractors entitled to Project Water
988 from Delta Division Facilities shall share priority to utilize the remaining capacity of the
989 facilities declared to be available by the Contracting Officer for conveyance and

990 transportation of non-Project water prior to any such remaining capacity being made
991 available to non-Project contractors. Other Project Contractors shall have a second priority
992 to any remaining capacity of facilities declared to be available by the Contracting Officer
993 for conveyance and transportation of non-Project water prior to any such remaining
994 capacity being made available to non-Project contractors.

995 **OPINIONS AND DETERMINATIONS**

996 17. (a) Where the terms of this Contract provide for actions to be based upon
997 the opinion or determination of either party to this Contract, said terms shall not be
998 construed as permitting such action to be predicated upon arbitrary, capricious, or
999 unreasonable opinions or determinations. Both parties, notwithstanding any other
1000 provisions of this Contract, expressly reserve the right to seek relief from and appropriate
1001 adjustment for any such arbitrary, capricious, or unreasonable opinion or determination.
1002 Each opinion or determination by either party shall be provided in a timely manner.
1003 Nothing in this subdivision (a) of this Article is intended to or shall affect or alter the
1004 standard of judicial review applicable under Federal law to any opinion or determination
1005 implementing a specific provision of Federal law embodied in statute or regulation.

1006 (b) The Contracting Officer shall have the right to make determinations
1007 necessary to administer this Contract that are consistent with the provisions of this
1008 Contract, the laws of the United States and of the State of California, and the rules and
1009 regulations promulgated by the Secretary. Such determinations shall be made in
1010 consultation with the Contractor to the extent reasonably practicable.

1011 **COORDINATION AND COOPERATION**

1012 18. (a) In order to further their mutual goals and objectives, the Contracting

1013 Officer and the Contractor shall communicate, coordinate, and cooperate with each other,
1014 and with other affected Project Contractors, in order to improve the O&M of the
1015 Project. The communication, coordination, and cooperation regarding O&M shall
1016 include, but not be limited to, any action which will or may materially affect the quantity
1017 or quality of Project Water supply, the allocation of Project Water supply, and Project
1018 financial matters including, but not limited to, budget issues. The communication,
1019 coordination, and cooperation provided for hereunder shall extend to all provisions of
1020 this Contract. Each party shall retain exclusive decision making authority for all actions,
1021 opinions, and determinations to be made by the respective party.

1022 (b) Within 120 days following the Effective Date of this Contract, the
1023 Contractor, other affected Project Contractors, and the Contracting Officer shall arrange to
1024 meet with interested Project Contractors to develop a mutually agreeable, written Project-
1025 wide process, which may be amended as necessary separate and apart from this Contract.
1026 The goal of this process shall be to provide, to the extent practicable, the means of
1027 mutual communication and interaction regarding significant decisions concerning
1028 Project O&M on a real-time basis.

1029 (c) In light of the factors referred to in subdivision (b) of Article 3 of this
1030 Contract, it is the intent of the Secretary to improve water supply reliability. To carry out
1031 this intent:

1032 (1) The Contracting Officer will, at the request of the Contractor,
1033 assist in the development of integrated resource management plans for the Contractor.
1034 Further, the Contracting Officer will, as appropriate, seek authorizations for implementation
1035 of partnerships to improve water supply, water quality, and reliability.

1041 (4) The Secretary will coordinate actions of agencies within the
1042 Department of the Interior that may impact the availability of water for Project purposes.

1046 (d) Without limiting the contractual obligations of the Contracting Officer
1047 under the other Articles of this Contract, nothing in this Article shall be construed to limit
1048 or constrain the Contracting Officer's ability to communicate, coordinate, and cooperate
1049 with the Contractor or other interested stakeholders or to make decisions in a timely fashion
1050 as needed to protect health, safety, or the physical integrity of structures or facilities.

CHARGES FOR DELINQUENT PAYMENTS

19. (a) The Contractor shall be subject to interest, administrative, and penalty
1052 charges on delinquent payments. If a payment is not received by the due date, the
1053 Contractor shall pay an interest charge on the delinquent payment for each day the payment
1054 is delinquent beyond the due date. If a payment becomes 60 days delinquent, the
1055 Contractor shall pay, in addition to the interest charge, an administrative charge to
1056 cover additional costs of billing and processing the delinquent payment. If a payment is
1057 delinquent 90 days or more, the Contractor shall pay, in addition to the interest and
1058 administrative charges, a penalty charge for each day the payment is delinquent beyond the
1059 due date, based on the remaining balance of the payment due at the rate of 6 percent per
1060 year. The Contractor shall also pay any fees incurred for debt collection services associated
1061 with a delinquent payment.

1065 overdue payments, or the interest rate of 0.5 percent per month. The interest rate charged
1066 will be determined as of the due date and remain fixed for the duration of the delinquent
1067 period.

1068 (c) When a partial payment on a delinquent account is received, the amount
1069 received shall be applied first to the penalty charges, second to the administrative charges,
1070 third to the accrued interest, and finally to the overdue payment.

1071 EQUAL EMPLOYMENT OPPORTUNITY

1072 20. During the performance of this Contract, the Contractor agrees as follows:

1073 (a) The Contractor will not discriminate against any employee or applicant
1074 for employment because of race, color, religion, sex, sexual orientation, gender identity, or
1075 national origin. The Contractor will take affirmative action to ensure that applicants are
1076 employed, and that employees are treated during employment, without regard to their race,
1077 color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall
1078 include, but not be limited to, the following: employment, upgrading, demotion, or
1079 transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other
1080 forms of compensation; and selection for training, including apprenticeship. The Contractor
1081 agrees to post in conspicuous places, available to employees and applicants for employment,
1082 notices to be provided by the Contracting Officer setting forth the provisions of this
1083 nondiscrimination clause.

1084 (b) The Contractor will, in all solicitations or advertisements for employees
1085 placed by or on behalf of the Contractor, state that all qualified applicants will receive
1086 consideration for employment without regard to race, color, religion, sex, sexual orientation,
1087 gender identity, or national origin.

1088 (c) The Contractor will not discharge or in any other manner discriminate
1089 against any employee or applicant for employment because such employee or applicant has
1090 inquired about, discussed, or disclosed the compensation of the employee or applicant or
1091 another employee or applicant. This provision shall not apply to instances in which an
1092 employee who has access to the compensation information of other employees or applicants as
1093 part of such employee's essential job functions discloses the compensation of such other
1094 employees or applicants to individuals who do not otherwise have access to such information,
1095 unless such disclosure is in response to a formal complaint or charge, in furtherance of an
1096 investigation, proceeding, hearing, or action, including an investigation conducted by the
1097 employer, or is consistent with the Contractor's legal duty to furnish information.

1098 (d) The Contractor will send to each labor union or representative of
1099 workers with which it has a collective bargaining agreement or other contract or understanding,
1100 a notice, to be provided by the Contracting Officer, advising the labor union or workers'
1101 representative of the Contractor's commitments under section 202 of Executive Order No.
11246 of September 24, 1965, and shall post copies of the notice in conspicuous places
1103 available to employees and applicants for employment.

1120 (h) The Contractor will include the provisions of paragraphs (a) through (g)
1121 in every subcontract or purchase order unless exempted by the rules, regulations, or orders
1122 of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of Sept.
1123 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The
1124 Contractor will take such action with respect to any subcontract or purchase order as may be
1125 directed by the Secretary of Labor as a means of enforcing such provisions, including
1126 sanctions for noncompliance: *Provided, however, That* in the event the Contractor
1127 becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a
1128 result of such direction, the Contractor may request the United States to enter into such
1129 litigation to protect the interests of the United States.

GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

1131 21. (a) The obligation of the Contractor to pay the United States as provided in
1132 this Contract is a general obligation of the Contractor notwithstanding the manner in which the
1133 obligation may be distributed among the Contractor's water users and notwithstanding the default
1134 of individual water users in their obligation to the Contractor.

1135 (b) The payment of charges becoming due pursuant to this Contract is a
1136 condition precedent to receiving benefits under this Contract. The United States shall not make
1137 water available to the Contractor through Project facilities during any period in which the
1138 Contractor is in arrears in the advance payment of water rates due the United States. The
1139 Contractor shall not deliver water under the terms and conditions of this Contract for lands or
1140 parties that are in arrears in the advance payment of water rates as levied or established by the
1141 Contractor.

1142 (c) With respect to subdivision (b) of this Article, the Contractor shall have no
1143 obligation to require advance payment for water rates which it levies.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

1145 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
1146 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
1147 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title
1148 III; 42 U.S.C. 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-
1149 336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the
1150 applicable implementing regulations and any guidelines imposed by the U.S.
1151 Department of the Interior and/or Bureau of Reclamation.

1167 (d) Complaints of discrimination against the Contractor shall be investigated
1168 by the Contracting Officer's Office of Civil Rights.

PRIVACY ACT COMPLIANCE

1170 23. (a) The Contractor shall comply with the Privacy Act of 1974 (Privacy Act)
1171 (5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy
1172 Act (43 C.F.R. § 2.45, et seq.) in maintaining Landholder certification and reporting
1173 records required to be submitted to the Contractor for compliance with Sections 206,
1174 224(c), and 228 of the Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and
1175 390zz), and pursuant to 43 C.F.R. § 426.18.

1179 referenced in paragraph (a) above are considered to be employees of the Department of the
1180 Interior. See 5 U.S.C. § 552a(m).

1181 (c) The Contracting Officer or a designated representative shall provide the
1182 Contractor with current copies of the Department of the Interior Privacy Act regulations
1183 and the Bureau of Reclamation Federal Register Privacy Act System of Records Notice
1184 (Interior/WBR-31, Acreage Limitation) which govern the maintenance, safeguarding,
1185 and disclosure of information contained in the Landholders' certification and reporting
1186 records.

1187 (d) The Contracting Officer shall designate a full-time employee of the
1188 Bureau of Reclamation to be the System Manager responsible for making decisions on
1189 denials pursuant to 43 C.F.R. §§ 2.61 and 2.64 and amendment requests pursuant to 43
1190 C.F.R. § 2.72. The Contractor is authorized to grant requests by individuals for access to
1191 their own records.

1192 (e) The Contractor shall forward promptly to the System Manager each
1193 proposed denial of access under 43 C.F.R. § 2.64 and each request for amendment of
1194 records filed under 43 C.F.R. § 2.71; notify the requester accordingly of such referral;
1195 and provide the System Manager with information and records necessary to prepare an
1196 appropriate response to the requester. These requirements do not apply to individuals
1197 seeking access to their own certification and reporting forms filed with the Contractor
1198 pursuant to 43 C.F.R. § 426.18 unless the requester elects to cite the Privacy Act as an
1199 authority for the request.

1200 (f) Upon complete payment of the Repayment Obligation by the
1201 Contractor, this Article 23 will no longer be applicable.

1202 **CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS**

1203 24. In addition to all other payments to be made by the Contractor pursuant to this
1204 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill
1205 and detailed statement submitted by the Contracting Officer to the Contractor for such
1206 specific items of direct cost incurred by the United States for work requested by the
1207 Contractor associated with this Contract plus indirect costs in accordance with applicable
1208 Bureau of Reclamation policies and procedures. All such amounts referred to in this
1209 Article shall not exceed the amount agreed to in writing in advance by the Contractor.
1210 This Article shall not apply to costs for routine contract administration.

1211

WATER CONSERVATION

1212 25. (a) Prior to the delivery of water provided from or conveyed through
1213 Federally constructed or Federally financed facilities pursuant to this Contract, the
1214 Contractor shall develop a water conservation plan, as required by subsection 210(b) of the
1215 Reclamation Reform Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and
1216 Regulations).

1217 Additionally, an effective water conservation and efficiency program shall be based on the
1218 Contractor's water conservation plan that has been determined by the Contracting Officer to
1219 meet the conservation and efficiency criteria for evaluating water conservation plans
1220 established under Federal law. The water conservation and efficiency program shall
1221 contain definite water conservation objectives, appropriate economically feasible water
1222 conservation measures, and time schedules for meeting those objectives. Continued
1223 Project Water delivery pursuant to this Contract shall be contingent upon the
1224 Contractor's continued implementation of such water conservation program. In the
1225 event the Contractor's water conservation plan or any revised water conservation plan
1226 completed pursuant to subdivision (d) of this Article 25 have not yet been determined by
1227 the Contracting Officer to meet such criteria, due to circumstances which the
1228 Contracting Officer determines are beyond the control of the Contractor, water deliveries
1229 shall be made under this Contract so long as the Contractor diligently works with the
1230 Contracting Officer to obtain such determination at the earliest practicable date, and
1231 thereafter the Contractor immediately begins implementing its water conservation and
1232 efficiency program in accordance with the time schedules therein.

1233 (b) Should the amount of M&I Water delivered pursuant to subdivision
1234 (a) of Article 3 of this Contract equal or exceed two thousand (2,000) acre-feet per Year,
1235 the Contractor shall implement the Best Management Practices identified by the time

1236 frames issued by the Mid-Pacific Region's then-existing conservation and efficiency
1237 criteria for such M&I Water unless any such practice is determined by the Contracting
1238 Officer to be inappropriate for the Contractor.

1239 (c) The Contractor shall submit to the Contracting Officer a report on the
1240 status of its implementation of the water conservation plan on the reporting dates specified in the
1241 then-existing conservation and efficiency criteria established under Federal law.

1242 (d) At five (5)-year intervals, the Contractor shall revise its water
1243 conservation plan to reflect the then-existing conservation and efficiency criteria for evaluating
1244 water conservation plans established under Federal law and submit such revised water
1245 management plan to the Contracting Officer for review and evaluation. The Contracting Officer
1246 will then determine if the water conservation plan meets the Bureau of Reclamation's then-
1247 existing conservation and efficiency criteria for evaluating water conservation plans established
1248 under Federal law.

1249 (e) If the Contractor is engaged in direct groundwater recharge, such activity
1250 shall be described in the Contractor's water conservation plan.

1251 **EXISTING OR ACQUIRED WATER OR WATER RIGHTS**

1252 26. Except as specifically provided in Article 16 of this Contract, the provisions
1253 of this Contract shall not be applicable to or affect non-Project water or water rights now owned
1254 or hereafter acquired by the Contractor or any user of such water within the Contractor's Service
1255 Area. Any such water shall not be considered Project Water under this Contract. In addition,
1256 this Contract shall not be construed as limiting or curtailing any rights which the Contractor or
1257 any water user within the Contractor's Service Area acquires or has available under any other
1258 contract pursuant to Federal Reclamation law.

1259

OPERATION AND MAINTENANCE OF TRANSFERRED WORKS

1260 27. (a) Upon substantial completion of the Project works, or as otherwise
1261 determined by the Contracting Officer, and following written notification, the care, operation,
1262 and maintenance of any or all of those Project works may be transferred to the Contractor. Title
1263 to the transferred works will remain in the name of the United States, unless otherwise provided
1264 by the Congress of the United States.

1265 (b) The Contractor, without expense to the United States, will care for,
1266 operate, and maintain the transferred works in full compliance with the terms of this Contract
1267 and in such a manner that the transferred works remain in good and efficient condition.

1268 (c) Necessary repairs of the transferred works shall be made promptly by the
1269 Contractor. In case of unusual conditions or serious deficiencies in the care, operation, and
1270 maintenance of the transferred works threatening or causing interruption of water service, the
1271 Contracting Officer may issue to the Contractor a special written notice of those necessary
1272 repairs. Except in the case of an emergency, the Contractor will be given 60 days to either: 1)
1273 make the necessary repairs; or 2) submit a plan for accomplishing the repairs acceptable to the
1274 Contracting Officer that contains a timeframe for completing the necessary repairs. In the case
1275 of an emergency the written notice of necessary repairs will include a timeframe for completion
1276 of the repairs. If the Contractor fails to either: 1) make the necessary repairs within the identified
1277 timeframe; or 2) submit a plan for accomplishing the repairs acceptable to the Contracting
1278 Officer within 60 days of receipt of the notice and accomplish the repairs within the timeframe
1279 identified therein, the Contracting Officer may cause the repairs to be made, and the cost of those
1280 repairs shall be paid by the Contractor as directed by the Contracting Officer.

1281 (d) The Contractor shall not make any substantial changes in the transferred
1282 works without first obtaining written consent of the Contracting Officer. The Contractor will
1283 take all reasonable measures to prevent any unauthorized encroachment on project land and
1284 rights-of-way and address any such encroachment as soon as the Contractor becomes aware of its
1285 existence.

1286 (e) The Contractor agrees to indemnify the United States for, and hold the
1287 United States and all of its representatives harmless from, all damages resulting from suits,
1288 actions, or claims of any character, except for intentional torts committed by employees of the
1289 United States, brought on account of any injury to any person or property arising out of any act,
1290 omission, neglect, or misconduct in the manner or method of performing any construction, care,
1291 operation, maintenance, supervision, examination, inspection, or other duties of the Contractor or
1292 the United States on transferred works required under this Contract, regardless of who performs
1293 those duties.

1294 (f) The Contractor will cooperate with the Contracting Officer in
1295 implementing an effective dam safety program. The United States agrees to provide the
1296 Contractor and the appropriate agency of the State or States in which the Project facilities are
1297 located with design data, designs, and an operating plan for the dam(s) and related facilities
1298 consistent with the current memorandum of understanding between the United States and the

1299 State of California relating to the coordination of planning, design, construction, operation, and
1300 maintenance processes for dams and related facilities.

1301 (g) In the event the Contractor is found to be operating the transferred works
1302 or any part thereof in violation of this Contract or the Contractor is found to be failing any
1303 financial commitments or other commitments to the United States under the terms and conditions
1304 of this Contract, then upon the election of the Contracting Officer, the United States may take
1305 over from the Contractor the care, operation, and maintenance of the transferred works by giving
1306 written notice to the Contractor of such election and the effective date thereof. Thereafter,
1307 during the period of operation by the United States, upon notification by the Contracting Officer
1308 the Contractor will pay to the United States, annually in advance, the cost of operation and
1309 maintenance of the works as determined by the Contracting Officer. Following written
1310 notification from the Contracting Officer the care, operation, and maintenance of the works may
1311 be transferred back to the Contractor.

1312 (h) In addition to all other payments to be made by the Contractor under this
1313 Contract, the Contractor will reimburse to the United States, following the receipt of a statement
1314 from the Contracting Officer, all miscellaneous costs incurred by the United States for any work
1315 involved in the administration and supervision of this Contract.

1316 (i) Nothing in this article will be deemed to waive the sovereign immunity of
1317 the United States.

1318 **O&M BY THE SAN LUIS & DELTA – MENDOTA WATER AUTHORITY**

1319 28. (a) The O&M of a portion of the Project facilities which serve the Contractor,
1320 and responsibility for funding a portion of the costs of such O&M, have been transferred to the
1321 San Luis & Delta-Mendota Water Authority, an Operating Non-Federal Entity by separate
1322 agreement (8-07-20-X0354-X) between the United States and Operating Non-Federal Entity San
1323 Luis & Delta-Mendota Water Authority. That separate agreement shall not interfere with or
1324 affect the rights or obligations of the Contractor or the United States hereunder.

1325 (b) The Contracting Officer has previously notified the Contractor in
1326 writing that the Operation and Maintenance of a portion of the Project facilities which
1327 serve the Contractor has been transferred to the Operating Non-Federal Entity, and
1328 therefore, the Contractor shall pay directly to the Operating Non-Federal Entity, or to any
1329 successor approved by the Contracting Officer under the terms and conditions of the

1330 separate agreement between the United States and the Operating Non-Federal Entity
1331 described in subdivision (a) of this Article, all rates, charges, or assessments of any kind,
1332 including any assessment for reserve funds, which the Operating Non-Federal Entity or such
1333 successor determines, sets, or establishes for the Operation and Maintenance of the portion of the
1334 Project facilities operated and maintained by the Operating Non-Federal Entity or such
1335 successor. Such direct payments to Operating Non-Federal Entity or such successor shall
1336 not relieve the Contractor of its obligation to pay directly to the United States the
1337 Contractor's share of the Project Rates, Charges, and Tiered Pricing Component except to
1338 the extent the Operating Non-Federal Entity collects payments on behalf of the United
1339 States in accordance with the separate agreement identified in subdivision (a) of this
1340 Article.

1341 (c) For so long as the O&M of any portion of the Project facilities
1342 serving the Contractor is performed by Operating Non-Federal Entity San Luis &
1343 Delta-Mendota Water Authority, or any successor thereto, the Contracting Officer
1344 shall adjust those components of the Rates for Water Delivered under this Contract
1345 representing the cost associated with the activity being performed by Operating Non-
1346 Federal Entity San Luis & Delta-Mendota Water Authority, or its successor.

1347 (d) In the event the Operation and Maintenance of the Project facilities
1348 operated and maintained by the Operating Non-Federal Entity is re-assumed by the
1349 United States during the term of this Contract, the Contracting Officer shall so notify the
1350 Contractor, in writing, and present to the Contractor a revised Exhibit "B" which shall
1351 include the portion of the Rates to be paid by the Contractor for Project Water under this
1352 Contract representing the Operation and Maintenance costs of the portion of such Project

1353 facilities which have been re-assumed. The Contractor shall, thereafter, in the absence of written
1354 notification from the Contracting Officer to the contrary, pay the Rates, Charges, and Tiered
1355 Pricing Component specified in the revised Exhibit "B" directly to the United States in
1356 compliance with Article 7 of this Contract.

1357 **O&M BY THE CALIFORNIA DEPARTMENT OF WATER RESOURCES**

1358 28.1 (a) The O&M of a portion of the Project facilities which serve the Contractor,
1359 and responsibility for funding a portion of the costs of such O&M, have been transferred to the
1360 California Department of Water Resources, an Operating Non-Federal Entity by a separate
1361 agreement (14-06-200-9755) between the United States and Operating Non-Federal
1362 Entity California Department of Water Resources. This separate agreement shall not
1363 interfere with or affect the rights or obligations of the Contractor or the United States
1364 hereunder.

1365 (b) The Contracting Officer has previously notified the Contractor in writing
1366 that the O&M of a portion of the Project facilities which serve the Contractor has been
1367 transferred to the Operating Non-Federal Entity California Department of Water
1368 Resources, and the Contractor shall pay directly to Operating Non-Federal Entity San
1369 Luis & Delta-Mendota Water Authority, or to any successor approved by the Contracting
1370 Officer under the terms and conditions of the separate agreement between the United
1371 States and Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority,
1372 described in subdivision (a) of Article 28 of this Contract, all rates, charges, or assessments of
1373 any kind, including any assessment for reserve funds, which Operating Non-Federal Entity
1374 California Department of Water Resources, or such successor determines, sets, or establishes for
1375 the O&M of the conveyance and conveyance pumping portion of the Project facilities

1376 operated and maintained by Operating Non-Federal Entity California Department of
1377 Water Resources, or such successor. Such direct payments to Operating Non-Federal
1378 Entity San Luis & Delta-Mendota Water Authority, or such successor, shall not relieve
1379 the Contractor of its obligation to pay directly to the United States the Contractor's
1380 share of the Project Rates, Charges, and Tiered Pricing Component except to the extent
1381 the Operating Non-Federal Entity San Luis & Delta-Mendota Water Authority collects
1382 payments on behalf of the United States in accordance with the separate agreement
1383 identified in subdivision (a) of Article 28 of this Contract.

1384 (c) For so long as the O&M of any portion of the Project facilities serving
1385 the Contractor is performed by Operating Non-Federal Entity California Department of
1386 Water Resources, or any successor thereto, the Contracting Officer shall adjust those
1387 components of the Rates for Water Delivered under this Contract representing the cost associated
1388 with the activity being performed by Operating Non-Federal Entity California Department of
1389 Water Resources, or its successor.

1390 (d) In the event the O&M of the Project facilities operated and maintained by
1391 Operating Non-Federal Entity California Department of Water Resources is re-assumed by the
1392 United States during the term of this Contract, the Contracting Officer shall so notify the
1393 Contractor, in writing, and present to the Contractor a revised Exhibit "B" which shall
1394 include the portion of the Rates and Charges, to be paid by the Contractor for Project
1395 Water under this Contract representing the O&M costs of the portion of such Project
1396 facilities which have been re-assumed. The Contractor shall, thereafter, in the absence of
1397 written notification from the Contracting Officer to the contrary, pay the Rates, Charges,

1398 and Tiered Pricing Component specified in the revised Exhibit "B" directly to the United
1399 States in compliance with Article 7 of this Contract.

1400 O&M BY THE CONTRACTOR

1401 28.2 (a) During the term of this Contract, the Contractor shall act as the Operating
1402 Non-Federal Entity for a portion of the Project facilities which serves the California Department
1403 of Fish and Wildlife (formally referred to as California Department of Fish and Game), the City
1404 of Huron, and the City of Coalinga, including but not limited to the Coalinga Canal System,
1405 which consists in part of the Coalinga Canal and turnouts and Pleasant Valley Pumping Plant.
1406 The Contractor, without expense to the United States, shall care for, operate, and maintain such
1407 portion of the Project facilities for the furnishing of water to the California Department of Fish
1408 and Wildlife, the City of Huron, and the City of Coalinga in full compliance with Federal
1409 Reclamation law and in such manner that they will remain in good and efficient condition;
1410 Provided, That the United States shall finance the costs of all major replacements of such
1411 facilities that the Contracting Officer determines are needed; Provided, further, That if the
1412 California Department of Fish and Wildlife, the City of Huron, or the City of Coalinga
1413 fails to pay to the Contractor in advance such entity's share of the O&M costs, consistent
1414 with any agreements between the Contractor and the California Department of Fish and
1415 Wildlife, the City of Huron, or the City of Coalinga, respectively, the Contractor shall be
1416 relieved of its obligation to the O&M of such facilities for the benefit of the non-paying entity.

1417 (b) The Contracting Officer previously notified the California Department of
1418 Fish and Wildlife, the City of Huron, and the City of Coalinga in writing that the O&M of a
1419 portion of the Project facilities which serves the California Department of Fish and
1420 Wildlife, the City of Huron, and the City of Coalinga has been transferred to the Contractor.

1421 Therefore, the California Department of Fish and Wildlife, the City of Huron, and the City of
1422 Coalinga have entered separate agreements with the Contractor providing the terms and
1423 conditions pursuant to which the Contractor will operate and maintain a portion of the
1424 Project facilities which serves the California Department of Fish and Wildlife, the City of
1425 Huron, and the City of Coalinga, including the amount(s) the California Department of
1426 Fish and Wildlife, the City of Huron, and the City of Coalinga are to pay the Contractor
1427 for that service. Consistent with any such agreements, the California Department of Fish
1428 and Wildlife, the City of Huron, and the City of Coalinga shall pay directly to the
1429 Contractor all rates, charges, or assessments of any kind, including any assessment for
1430 reserve funds, which the Contractor sets or establishes for a portion of the Project facilities which
1431 serves the California Department of Fish and Wildlife, the City of Huron, and the City of
1432 Coalinga and is operated and maintained by the Contractor. Such direct payments to the
1433 Contractor shall not relieve the Contractor of its obligation to pay directly to the United
1434 States the California Department of Fish and Wildlife, the City of Huron, and the City
1435 of Coalinga its share of the Project Rates, Charges, and Tiered Pricing Component
1436 referred to in this Contract.

1437 (c) For so long as the O&M for a portion of the Project facilities which serves
1438 the California Department of Fish and Wildlife, the City of Huron, and the City of Coalinga is
1439 performed by the Contractor, the Contracting Officer shall adjust those components of the Rates
1440 for Water Delivered under the Contracts representing the cost associated with the activity being
1441 performed by the Contractor.

1442 (d) The United States may re-assume O&M for a portion of the Project
1443 facilities which serves the California Department of Fish and Wildlife, the City of Huron, and the

1444 City of Coalinga. In that event, the Contracting Officer shall so notify the California Department
1445 of Fish and Wildlife, the City of Huron, and the City of Coalinga, in writing, and present to
1446 the Contractor a revised Exhibit "B" which shall include the portion of the Rates and Charges
1447 to be paid by the California Department of Fish and Wildlife, the City of Huron, and the City of
1448 Coalinga for Project Water under this Contract representing the O&M costs for a portion of the
1449 Project facilities which serves the California Department of Fish and Wildlife, the City of
1450 Huron, and the City of Coalinga. The California Department of Fish and Wildlife, the
1451 City of Huron, and the City of Coalinga shall, thereafter, in the absence of written
1452 notification from the Contracting Officer to the contrary, pay the Rates, Charges, and Tiered
1453 Pricing Component specified in the revised Exhibit "B" directly to the United State in
1454 compliance with Article 7 of their contracts. The Contractor shall, thereafter, be relieved
1455 of all of its obligations under this Article 28.2.

1456 **PUMPING PLANTS, POWER FOR PUMPING PLANTS**

1457 28.3. (a) The United States shall furnish and install pumping plants and furnish
1458 the amount of Project power the Contracting Officer determines is necessary to deliver Project
1459 Water to the Contractor from the Delta-Mendota, San Luis, and Coalinga Canals, including the
1460 Pleasant Valley Pumping Plant, at the point(s) of delivery identified pursuant to subdivision
1461 (a) of Article 5 of this Contract at heads and elevations sufficient to irrigate by gravity the
1462 areas within the Contractor's Service Area below 700 feet mean sea level elevation.

1463 (b) With advance approval of the Contracting Officer, the Contractor
1464 may, at its own expense, furnish and install pumping facilities, and related electrical
1465 equipment, to enable it to divert and deliver Project Water from the Delta-Mendota, San
1466 Luis, and Coalinga Canals and the Pleasant Valley Pumping Plant before the United States

1467 furnishes and installs all the pumping plants referred to in subdivision (a) of this Article.
1468 The United States shall furnish the amount of Project power needed to operate such
1469 pumping facilities; Provided, That the Contractor maintains an agreement with an entity
1470 to convey such power to such facilities, and the Contractor agrees to pay any and all
1471 charges assessed by that entity for such service.

1472 (c) The furnishing of power by the United States shall be in conformance
1473 with operating criteria, rules, and regulations, including the Project use power policy,
1474 established by the Contracting Officer; Provided, That any such operating criteria, rules,
1475 and regulations, including the Project use power policy, established by the Contracting
1476 Officer shall not excuse the United States from its obligation under subdivision (a) of this
1477 Article. Such operating criteria, rules, and regulations shall be developed in cooperation
1478 with the Contractor and shall be based on acceptable irrigation management practices and the
1479 power generation capacity available to the United States for the furnishing of Project Water to
1480 the Contractor.

1481 (d) The Contracting Officer or his representative shall at all times have
1482 access to and may inspect and investigate the pumping facilities for the purpose of ascertaining
1483 if they are being kept in safe and proper operating condition.

1484 **EXAMINATION, INSPECTION, AND AUDIT OF PROJECT WORKS, RECORDS, AND**
1485 **REPORTS FOR DETERMINING ADEQUACY OF OPERATION AND MAINTENANCE**

1486 29. (a) The Contracting Officer may, from time to time, examine the following:
1487 the Contractor's books, records, and reports; the project works being operated by the Contractor;
1488 the adequacy of the operation and maintenance program[s]; the reserve fund; and the water
1489 conservation program including the water conservation fund, if applicable. Notwithstanding title
1490 ownership, where the United States retains a financial, physical, or liability interest in facilities
1491 either constructed by the United States or with funds provided by the United States, the
1492 Contracting Officer may examine any or all of the project works providing such interest to the
1493 United States.

1504 (d) The Contracting Officer shall prepare reports based on the examinations,
1505 inspections, or audits and furnish copies of such reports and any recommendations to the
1506 Contractor.

1507 (e) The costs incurred by the United States in conducting operation and
1508 maintenance examinations, inspections, and audits and preparing associated reports and
1509 recommendations related to high- and significant-hazard dams and associated facilities shall be
1510 nonreimbursable. Associated facilities include carriage, distribution, and drainage systems;
1511 pumping and pump-generating plants; powerplant structures; tunnels/pipelines; diversion and
1512 storage dams (low-hazard); Type 2 bridges which are Bureau of Reclamation-owned bridges not
1513 located on a public road; regulating reservoirs (low-hazard); fish passage and protective
1514 facilities, including hatcheries; river channelization features; rural/municipal water systems;
1515 desalting and other water treatment plants; maintenance buildings and service yards; facilities
1516 constructed under Federal loan programs (until paid out); and recreation facilities (reserved
1517 works only); and any other facilities as determined by the Contracting Officer.

1521 (g) Expenses incurred by the Contractor, as applicable, in participating in the
1522 operation and maintenance site examination will be borne by the Contractor.

1523 (h) Requests by the Contractor for consultations, design services, or
1524 modification reviews, and the completion of any operation and maintenance activities identified
1525 in the formal recommendations resulting from the examination (unless otherwise noted) are to be
1526 funded as project operation and maintenance and are reimbursable by the Contractor to the extent
1527 of current project operation and maintenance allocations.

1532 (j) The Contracting Officer may provide the State(s) an opportunity to
1533 observe and participate in, at its (their) own expense, the examinations and inspections. The
1534 State(s) may be provided copies of reports and any recommendations relating to such
1535 examinations and inspections.

1536 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

1537 30. The expenditure or advance of any money or the performance of any obligation of
1538 the United States under this Contract shall be contingent upon appropriation or allotment
1539 of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor
1540 from any obligations under this Contract. No liability shall accrue to the United States in case
1541 funds are not appropriated or allotted.

1542 BOOKS, RECORDS, AND REPORTS

1543 31. (a) The Contractor shall establish and maintain accounts and other books and
1544 records pertaining to administration of the terms and conditions of this Contract, including
1545 the Contractor's financial transactions; water supply data; project operations, maintenance, and
1546 replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop
1547 census), land-ownership, land-leasing, and water-use data; and other matters that the
1548 Contracting Officer may require. Reports shall be furnished to the Contracting Officer
1549 in such form and on such date or dates as the Contracting Officer may require. Subject to
1550 applicable Federal laws and regulations, each party to this Contract shall have the right during
1551 office hours to examine and make copies of the other party's books and records relating to
1552 matters covered by this Contract.

1553 (b) Notwithstanding the provisions of subdivision (a) of this Article, no
1554 books, records, or other information shall be requested from the Contractor by the
1555 Contracting Officer unless such books, records, or information are reasonably related to the
1556 administration or performance of this Contract. Any such request shall allow the Contractor a
1557 reasonable period of time within which to provide the requested books, records, or
1558 information.

1559 (c) At such time as the Contractor provides information to the Contracting
1560 Officer pursuant to subdivision (a) of this Article, a copy of such information shall be provided
1561 to the Operating Non-Federal Entity(ies).

1562 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

1563 32. (a) The provisions of this Contract shall apply to and bind the successors and
1564 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest
1565 therein by either party shall be valid until approved in writing by the other party.

1566 (b) The assignment of any right or interest in this Contract by either party
1567 shall not interfere with the rights or obligations of the other party to this Contract absent the
1568 written concurrence of said other party.

1569 (c) The Contracting Officer shall not unreasonably condition or withhold
1570 approval of any proposed assignment.

1571 SEVERABILITY

1572 33. In the event that a person or entity who is neither (i) a party to a Project contract,
1573 nor (ii) a person or entity that receives Project Water from a party to a Project contract, nor (iii)
1574 an association or other form of organization whose primary function is to represent parties to
1575 Project contracts, brings an action in a court of competent jurisdiction challenging the
1576 legality or enforceability of a provision included in this Contract and said person, entity,
1577 association, or organization obtains a final court decision holding that such provision is
1578 legally invalid or unenforceable and the Contractor has not intervened in that lawsuit in
1579 support of the plaintiff(s), the parties to this Contract shall use their best efforts to (i)
1580 within 30 days of the date of such final court decision identify by mutual agreement the
1581 provisions in this Contract which must be revised and (ii) within three months thereafter
1582 promptly agree on the appropriate revision(s). The time periods specified above may be
1583 extended by mutual agreement of the parties. Pending the completion of the actions
1584 designated above, to the extent it can do so without violating any applicable provisions of
1585 law, the United States shall continue to make the quantities of Project Water specified in this

1586 Contract available to the Contractor pursuant to the provisions of this Contract which were not
1587 found to be legally invalid or unenforceable in the final court decision.

1588 RESOLUTION OF DISPUTES

1589 34. Should any dispute arise concerning any provisions of this Contract, or the
1590 parties' rights and obligations thereunder, the parties shall meet and confer in an attempt
1591 to resolve the dispute. Prior to the Contractor commencing any legal action, or the
1592 Contracting Officer referring any matter to the Department of Justice, the party shall
1593 provide to the other party 30 days' written notice of the intent to take such action;
1594 Provided, That such notice shall not be required where a delay in commencing an action
1595 would prejudice the interests of the party that intends to file suit. During the 30-day
1596 notice period, the Contractor and the Contracting Officer shall meet and confer in an
1597 attempt to resolve the dispute. Except as specifically provided, nothing herein is intended
1598 to waive or abridge any right or remedy that the Contractor or the United States may have.

1599 OFFICIALS NOT TO BENEFIT

1600 35. No Member of or Delegate to the Congress, Resident Commissioner, or official of
1601 the Contractor shall benefit from this Contract other than as a water user or landowner in the
1602 same manner as other water users or landowners.

1603 CHANGES IN CONTRACTOR'S ORGANIZATION AND/OR SERVICE AREA

1604 36. (a) While this Contract is in effect, no change may be made in the
1605 Contractor's Service Area or organization, by inclusion or exclusion of lands or by any other
1606 changes which may affect the respective rights, obligations, privileges, and duties of either the
1607 United States or the Contractor under this Contract, including, but not limited to, dissolution,
1608 consolidation, or merger, except upon the Contracting Officer's written consent.

1609 (b) Within 30 days of receipt of a request for such a change, the Contracting
1610 Officer will notify the Contractor of any additional information required by the Contracting
1611 Officer for processing said request, and both parties will meet to establish a mutually agreeable
1612 schedule for timely completion of the process. Such process will analyze whether the proposed

1613 change, is likely to: (i) result in the use of Project Water contrary to the terms of this Contract;
1614 (ii) impair the ability of the Contractor to pay for Project Water furnished under this Contract or
1615 to pay for any Federally-constructed facilities for which the Contractor is responsible; and (iii)
1616 have an impact on any Project Water rights applications, permits, or licenses. In addition,
1617 the Contracting Officer shall comply with the NEPA and the ESA. The Contractor will
1618 be responsible for all costs incurred by the Contracting Officer in this process, and such
1619 costs will be paid in accordance with Article 24 of this Contract.

1620 **FEDERAL LAWS**

1621 37. By entering into this Contract, the Contractor does not waive its rights to contest
1622 the validity or application in connection with the performance of the terms and
1623 conditions of this Contract of any Federal law or regulation; *Provided, That* the
1624 Contractor agrees to comply with the terms and conditions of this Contract unless and
1625 until relief from application of such Federal law or regulation to the implementing
1626 provision of the Contract is granted by a court of competent jurisdiction.

1627 **NOTICES**

1628 38. Any notice, demand, or request authorized or required by this Contract shall be
1629 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
1630 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno,
1631 California 93721, Bureau of Reclamation, and on behalf of the United States, when mailed,
1632 postage prepaid, or delivered to the Board of Directors of the Westlands Water District, P.O. Box
1633 6056, Fresno, California 93703-6056. The designation of the addressee or the address may be
1634 changed by notice given in the same manner as provided in this Article for other notices.

1635 **EMERGENCY RESERVE FUND**

1636 39. (a) Commencing on June 1, 2020, the Contractor shall accumulate and
1637 maintain a reserve fund or demonstrate to the satisfaction of the Contracting Officer that other
1638 funds are available for use as an emergency reserve fund. The Contractor shall establish and
1639 maintain that emergency reserve fund to meet costs incurred during periods of special stress

1640 caused by damaging droughts, storms, earthquakes, floods, or other emergencies threatening or
1641 causing interruption of water service.

1642 (b) The Contractor shall accumulate the reserve fund with annual deposits or
1643 investments of not less than \$500,000 to a Federally insured, interest- or dividend-bearing
1644 account or in securities guaranteed by the Federal Government: *Provided*, That money in the
1645 reserve fund, including accrued interest, shall be available within a reasonable time to meet
1646 expenses for such purposes as those identified in paragraph (d) herein. Such annual deposits and
1647 the accumulation of interest to the reserve fund shall continue until the basic amount of
1648 \$1,500,000 is accumulated. Following an emergency expenditure from the fund, the annual
1649 deposits shall continue from the year following the emergency expenditure until the previous
1650 balance is restored. After the initial amount is accumulated or after the previous balance is
1651 restored, the annual deposits may be discontinued, and the interest earnings shall continue to
1652 accumulate and be retained as part of the reserve fund.

1653 (c) Upon mutual written agreement between the Contractor and the
1654 Contracting Officer, the basic reserve fund or the accumulated reserve fund may be adjusted to
1655 account for risk and uncertainty stemming from the size and complexity of the project; the size
1656 of the annual operation and maintenance budget; additions to, deletions from, or changes in
1657 project works; and operation and maintenance costs not contemplated when this Contract was
1658 executed.

1659 (d) The Contractor may make expenditures from the reserve fund only for
1660 meeting routine or recurring operation and maintenance costs incurred during periods of special
1661 stress, as described in paragraph (a) herein; or for meeting unforeseen extraordinary operation
1662 and maintenance costs; or for meeting unusual or extraordinary repair or replacement costs; or
1663 for meeting betterment costs (in situations where recurrence of severe problems can be
1664 eliminated) during periods of special stress. Proposed expenditures from the fund shall be
1665 submitted to the Contracting Officer in writing for review and written approval prior to
1666 disbursement. Whenever the reserve fund is reduced below the current balance by expenditures
1667 therefrom, the Contractor shall restore that balance by the accumulation of annual deposits as
1668 specified in paragraph (b) herein.

1669 (e) During any period in which any of the project works are operated and
1670 maintained by the United States, the Contractor agrees the reserve fund shall be available for like
1671 use by the United States.

1672 (f) On or before August 1 of each year, the Contractor shall provide a current
1673 statement of the principal and accumulated interest of the reserve fund account to the Contracting
1674 Officer.

1675 ADMINISTRATION OF FEDERAL PROJECT LANDS

1676 40. (a) The lands and interests in lands acquired, withdrawn, or reserved and
1677 needed by the United States for the purposes of care, operation, and maintenance of San Luis
1678 Unit facilities may be used by the Contractor for such purposes. The Contractor shall ensure that
1679 no unauthorized encroachment occurs on Federal project lands and rights-of-way. The

1680 Contractor does not have the authority to issue any land-use agreement or grant that conveys an
1681 interest in Federal real property, nor to lease or dispose of any interest of the United States.

1682 (b) The United States retains responsibility for compliance with the National
1683 Historic Preservation Act of 1966 (NHPA), and the Native American Graves Protection and
1684 Repatriation Act of 1990 (NAGPRA). The Contractor will notify the Contracting Officer and,
1685 only when on tribal land, also notify the appropriate tribal official, immediately upon the
1686 discovery of any potential historic properties or Native American human remains, funerary
1687 objects, sacred objects, or objects of cultural patrimony.

1688 **CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY**

1689 41. (a) The Contractor shall not allow contamination or pollution of Federal
1690 project lands, project waters, or project works of the United States or administered by the United
1691 States and for which the Contractor has the responsibility for care, operation, and maintenance
1692 by its employees or agents. The Contractor shall also take reasonable precautions to prevent
1693 such contamination or pollution by third parties.

1694 (b) The Contractor shall comply with all applicable Federal, State, and local
1695 laws and regulations and Bureau of Reclamation policies and instructions existing, or hereafter
1696 enacted or promulgated, concerning any hazardous material that will be used, produced,
1697 transported, stored, released, or disposed of on or in Federal project lands, project waters, or
1698 project works.

1699 (c) “Hazardous material” means (1) any substance falling within the
1700 definition of “hazardous substance,” “pollutant or contaminant,” or “hazardous waste” under the
1701 Comprehensive Environmental Response, Compensation and Liability Act
1702 (42 U.S.C. § 9601(14), (29), and (33)); (2) oil, as defined by the Clean Water Act
1703 (33 U.S.C. § 1321(a)) and the Oil Pollution Act (33 U.S.C. § 2701(23)); (3) thermal pollution,
1704 refuse, garbage, sewage effluent, industrial waste, mine or mill tailings, mineral salts, pesticides,
1705 and other solid waste, and (4) any other substance regulated as hazardous or toxic under Federal,
1706 State, local or Tribal law.

1707 (d) Upon discovery of any event which may or does result in contamination or
1708 pollution of Federal project lands, project water, or project works, the Contractor shall
1709 immediately undertake all measures necessary to protect public health and the environment,
1710 including measures necessary to contain or abate any such contamination or pollution, and shall
1711 report such discovery with full details of the actions taken to the Contracting Officer. Reporting
1712 shall be within a reasonable time period but shall not exceed 24 hours from the time of discovery
1713 if it is an emergency and the first working day following discovery in the event of a non-
1714 emergency.

1715 (e) If violation of the provisions of this Article occurs and the Contractor does
1716 not take immediate corrective action, as determined by the Contracting Officer, the Contractor
1717 may be subject to remedies imposed by the Contracting Officer, which may include termination
1718 of this Contract.

1719 (f) The Contractor shall be liable for any response action or corrective
1720 measure necessary to protect public health and the environment or to restore Federal project
1721 lands, project waters, or project works that are adversely affected as a result of such violation,
1722 and for all costs, penalties or other sanctions that are imposed for violation of any Federal, State,
1723 local, or Tribal laws and regulations concerning hazardous material. At the discretion of the
1724 Contracting Officer, the United States may also terminate this Contract, as a result of such
1725 violation.

1729 (h) The Bureau of Reclamation agrees to provide information necessary for
1730 the Contractor, using reasonable diligence, to comply with the provisions of this Article.

RECLAMATION REFORM ACT OF 1982

1732 42. (a) Upon a Contractor's compliance with and discharge of the Repayment
1733 Obligation pursuant to this Contract, subsections (a) and (b) of Section 213 of the Reclamation
1734 Reform Act of 1982 (96 Stat. 1269) shall apply to affected lands.

CERTIFICATION OF NONSEGREGATED FACILITIES

1740 43. The Contractor hereby certifies that it does not maintain or provide for its
1741 employees any segregated facilities at any of its establishments and that it does not permit its
1742 employees to perform their services at any location under its control where segregated facilities
1743 are maintained. It certifies further that it will not maintain or provide for its employees any
1744 segregated facilities at any of its establishments and that it will not permit its employees to
1745 perform their services at any location under its control where segregated facilities are
1746 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
1747 Employment Opportunity clause in this Contract. As used in this certification, the term
1748 "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms,
1749 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
1750 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
1751 facilities provided for employees which are segregated by explicit directive or are in fact
1752 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
1753 disability, or otherwise. The Contractor further agrees that (except where it has obtained

1754 identical certifications from proposed subcontractors for specific time periods) it will obtain
1755 identical certifications from proposed subcontractors prior to the award of subcontracts
1756 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
1757 Opportunity clause; that it will retain such certifications in its files; and that it will forward the
1758 following notice to such proposed subcontractors (except where the proposed subcontractors
1759 have submitted identical certifications for specific time periods):

1760 **NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR**
1761 **CERTIFICATIONS OF NONSEGREGATED FACILITIES**

1762 A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract
1763 exceeding \$10,000 which is not exempt from the provisions of the Equal Employment
1764 Opportunity clause. The certification may be submitted either for each subcontract or for all
1765 subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for
1766 making false statements in offers is prescribed in 18 U.S.C. § 1001.

1767 **PEST MANAGEMENT**

1768 44. (a) The Contractor is responsible for complying with applicable Federal,
1769 State, and local laws, rules, and regulations related to pest management in performing its
1770 responsibilities under this contract.

1771 (b) The Contractor is responsible for effectively avoiding the introduction and
1772 spread of, and for otherwise controlling, undesirable plants and animals, as defined by the
1773 Contracting Officer, on or in Federal project lands, Federal project waters, and Federal project
1774 works for which and to the extent that the Contractor has operation and maintenance
1775 responsibility. The Contractor is responsible for exercising the level of precaution necessary in
1776 meeting this responsibility, including inspecting its vehicles, watercraft, and equipment for
1777 reproductive and vegetative parts, foreign soil, mud, or other debris that may cause the spread of
1778 weeds, invasive species and other pests, and removing such materials before moving its vehicles,
1779 watercraft, and equipment onto any Federal land, into any Federal project facility waters, or out
1780 of any area on Federal project land where work is performed.

1781 (c) Where decontamination of the Contractor's vehicles, watercraft, or
1782 equipment is required prior to entering Federal project land or waters, the decontamination shall
1783 be performed by the Contractor at the point of prior use, or at an approved offsite facility able to
1784 process generated cleaning wastes, pursuant to applicable laws, rules, and regulations. Upon the
1785 completion of work, the Contractor will perform any required decontamination within the work
1786 area before moving the vehicles, watercraft, and equipment from Federal project lands and
1787 waters.

1788 (d) Programs for the control of undesirable plants and animals on Federal
1789 project lands, and in Federal project waters and Federal project works for which the Contractor
1790 has operation and maintenance responsibility will incorporate Integrated Pest Management
1791 (IPM) concepts and practices. IPM refers to a systematic and environmentally compatible
1792 program to maintain pest populations within economically and environmentally tolerable levels.
1793 In implementing an IPM program, the Contractor will adhere to applicable Federal and State

1794 laws and regulations and Department of the Interior and Bureau of Reclamation policies,
1795 directives, guidelines, and manuals, including but not limited to, the Department of the Interior
1796 Manual, Part 517 *Integrated Pest Management Policy* and Part 609 *Weed Control Program*, the
1797 Plant Protection Act of June 20, 2000 (Pub. L. 106-224), and Executive Order 13112 of February
1798 3, 1999.

1799 MEDIUM FOR TRANSMITTING PAYMENT

1800 45. (a) All payments from the Contractor to the United States under this Contract
1801 shall be by the medium requested by the United States on or before the date payment is due. The
1802 required method of payment may include checks, wire transfers, or other types of payment
1803 specified by the United States.

1804 (b) Upon execution of this Contract, the Contractor shall furnish the
1805 Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose
1806 for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising
1807 out of the Contractor's relationship with the United States.

1808 CONTRACT DRAFTING CONSIDERATIONS

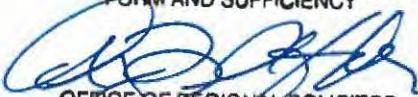
1809 46. This amended Contract has been negotiated and reviewed by the parties hereto,
1810 each of whom is sophisticated in the matters to which this amended Contract pertains. The
1811 double-spaced Articles of this amended Contract have been drafted, negotiated, and reviewed by
1812 the parties, and no one party shall be considered to have drafted the stated Articles. Single-
1813 spaced Articles are standard Articles pursuant to Bureau of Reclamation policy.

1814 CONFIRMATION OF CONTRACT

1815 47. Promptly after the execution of this amended Contract, the Contractor will
1816 provide to the Contracting Officer a certified copy of a final decree of a court of competent
1817 jurisdiction in the State of California, confirming the proceedings on the part of the Contractor
1818 for the authorization of the execution of this amended Contract. This amended Contract shall not
1819 be binding on the United States until the Contractor secures a final decree.

1820 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day
1821 and year first above written.

1822 APPROVED AS TO LEGAL FORM AND SUFFICIENCY UNITED STATES OF AMERICA


OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

1823 By: 
1824 Regional Director
1825 Interior Region 10: California-Great Basin
1826 Bureau of Reclamation

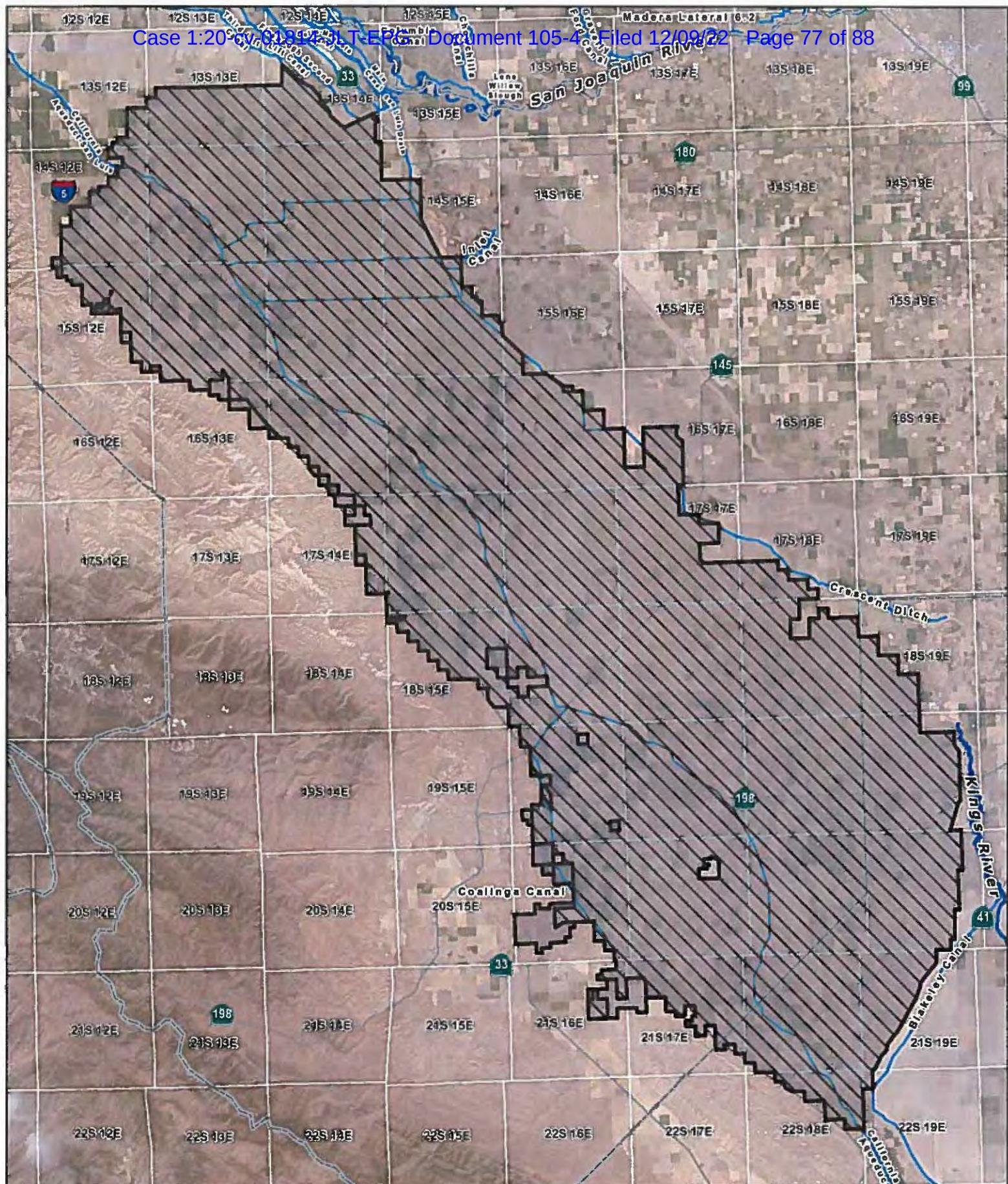


1827 WESTLANDS WATER DISTRICT

1828 By: 
1829 President of the Board of Directors
1830

1831 Attest:

1832 By: 
1833 Secretary of the Board of Directors



District Boundary
 Contractor's Service Area

Westlands Water District

Contract No. 14-06-200-495A-IR1-P
Exhibit A



BUREAU OF
RECLAMATION

0 5 10 Miles

N
805-202-120

EXHIBIT B
WESTLANDS WATER DISTRICT
2020 Rates and Charges
(Per Acre-Foot)

	Irrigation	Irrigation	M&I
	Water	Water	Water
	SLC	Mendota Pool	SLC
COST-OF-SERVICE (COS) RATE			
Construction Costs	\$0.00	\$0.00	\$0.00
DMC Aqueduct Intertie	\$0.00	\$0.00	
O&M Components			
Water Marketing	\$8.97	\$8.97	\$6.12
Storage	\$18.01	\$18.01	\$14.99
Credit for other PUE Remittance ¹	(\$2.28)	\$0.00	(\$1.99)
Direct Pumping			
American Recovery and Reinvestment Act (ARRA)	\$0.00	\$0.00	\$0.00
TOTAL COS RATE	\$24.70	\$26.98	\$19.12
Project Use Energy Payment²			
Direct Pumping	\$11.35	\$0.00	\$10.46
Other PUE Remittance	\$2.28	\$0.00	\$1.99
IRRIGATION FULL-COST RATE *			
Section 202(3) Rate is applicable to a Qualified Recipient or to a Limited Recipient receiving irrigation water on or before October 1, 1981.	TBD	TBD	
Section 205(a)(3) Rate is applicable to a Limited Recipient that did not receive irrigation water on or before October 1, 1981.	TBD	TBD	
M&I FULL COST RATE			
TIERED PRICING COMPONENTS (In Addition to Total COS Rate Above)			
IRRIGATION *			
Tier 2 Rate: >80% <=90% of Contract Total [Section 202(3) Irrigation Full Cost Rate - Irrigation COS Rate]/2 (Amount to be added to Tier 1 Rate)	TBD	TBD	
Tier 3 Rate: >90% of Contract Total [Section 202(3) Irrigation Full Cost Rate - Irrigation COS Rate] (Amount to be added to Tier 1 Rate)	TBD	TBD	
M&I			
Tier 2 Rate: >80% <=90% of Contract Total [M&I Full Cost Rate - M&I COS Rate]/2 (Amount to be Added to Tier 1 Rate)			\$0.00
Tier 3 Rate: >90% of Contract Total [M&I Full Cost Rate - M&I COS Rate] (Amount to Be Added to Tier 1 Rate)			\$0.00
CHARGES AND ASSESSMENTS (Payments in addition to Rates)			
P.L. 102-575 Surcharge (Restoration Fund Payment) [Section 3407(d)(2)(A)]	\$10.91	\$10.91	\$21.82
P.L. 106-377 Assessment (Trinity Public Utilities District) [Appendix B, Section 203]	\$0.12	\$0.12	\$0.12

EXPLANATORY NOTES

1 Project Use Energy payment is being remitted to Western Area Power Authority for storage and direct pumping based on the deliveries of a select few contractors. The rates for the select few contractors are reduced as a credit in the O&M rates. All Contractors will ultimately pay for the storage and direct pumping service but as an offset to the amount paid by the select few.

2 Project Use Energy payment is in addition to the Contract Rate and Full-Cost Water Rates. Refer to the water rate books for more information.

: For Irrigation water, if construction paid under WIIN Act is paid in lump sum, full cost rates and tier pricing component is not applicable for 2020 water rates.

The CVP M&I Water Shortage Policy per EIS/EIR dated August 2015 and Record of Decision dated November 2015 defines the M&I Historic Use as the average quantity of CVP water put to beneficial use during the last three years of water deliveries, unconstrained (100% allocation) by the availability of CVP water for South of the Delta. Contractor's last three years in acre feet (AF) are revised as follows: 2006 = 2,806 AF; 2011 = 2,570 AF; 2017 = 2,264 AF; which equals a M&I Historic use average quantity of 2,547 AF.

Additional detail of rate components is available on the Internet at:

<http://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>

Irrigation and M&I
Contract No. I4-06-200-495A-IR1-P

Exhibit C

Central Valley Project (CVP) Water Needs Assessments Purpose and Methodology

Purpose:

Water needs assessments have been performed for each CVP water contractor eligible to participate in the CVP long-term contract renewal process. These water needs assessments serve three purposes:

- Confirm past beneficial use of CVP water;
- Provide water demand and supply information under current and future conditions for the environmental documents; and
- Provide an estimate of contractor-specific needs for CVP water by the year 2025 to serve as a starting point for discussions regarding contract quantities in the negotiation process.

These three purposes require that the water needs assessments be done for a number of different timeframes.

Small Contractors exempt from Detailed Water Needs Assessments:

In order to minimize the informational burdens on CVP water contractors with small amounts of CVP supply under contract, an exemption from the requirement for detailed water needs assessments has been provided to these contractors. The exemption applies to contractors who provide agricultural water to a service area of 2000 irrigable acres, or less, and/or provide urban water now, or in the future, in the amount of 2000 acre-feet annually, or less. A contractor may be exempt from the water needs assessment requirement for its urban water service, but not for its agricultural water service, or vice-versa. These contractors are assumed to demonstrate future need if they have beneficially used their CVP supplies in the past.

Past Beneficial Use:

Originally, Reclamation requested water demand and supply information for the 1979 through 1997 timeframe. Reclamation believes that evaluations of beneficial use, current and future CVP needs based on information for a 19-year period of record, including both wet and dry periods, is a scientifically defendable way of conducting water needs assessments. However, the concerns of the CVP water contractors with respect to the magnitude of the information request persuaded Reclamation to perform the assessments using a representative snapshot year approach, instead. Although less scientifically rigorous, the snapshot year approach appears adequate for cursory evaluations of water needs.

Nineteen Eighty Nine, is the snapshot year chosen to confirm past beneficial use of CVP water for the American, Delta, Contra Costa, Sacramento, and San Felipe regions (refer to the definitions on the next page). This year was chosen because most CVP water contractors received full delivery of their requested water supplies and the total annual precipitation for most CVP regions was in the normal range. Since 1989 was a drought

year in the Friant region, 1996 was the snapshot year selected to calculate past beneficial use for this region. Water Need Assessments for the Stanislaus Region have been deferred pending the resolution of operational issues in the Stanislaus River basin. Some contractors have elected to deviate from the selected snapshot year because of the unavailability of information for that year. Following is a description of the regions:

American:	American River Division
Delta:	Delta Division combined with West San Joaquin Division, but not the Contra Costa Unit
Contra Costa:	Contra Costa Unit
Stanislaus:	East Side Division
Friant:	Friant Division combined with Hidden Unit, Buchanan Unit, and Cross Valley Canal
Sacramento:	Sacramento River Division combined with Trinity River and Shasta Divisions
San Felipe:	San Felipe Division

The environmental documentation associated with the CVP long-term contract renewals specifies 1995 as the base year. Therefore, water supply and demand information is indicated on the water needs assessments for the 1995 level of development, if available. In many cases, the information provided to demonstrate past beneficial use is also reasonably representative of 1995 level water supplies and demands.

Definition of Need for CVP Water Supplies:

An important function of these assessments is the estimation of year 2025 CVP water needs. The assessments compare all demands and all supplies (including CVP supplies) estimated for the 2025 level of development for a normal hydrologic year. Demands include agricultural, urban and, on occasion, environmental water demands. For these assessments, current CVP contract supplies are set as the maximum annual contractual amount for each water contractor, except in the Friant Division. The Friant Division's Class II contract amounts are based on wet hydrologic year and were reduced to 40% of the contract amount to reflect normal year hydrology. The results are displayed in Column 39 as Unmet Demand. If the number in this column is positive or only slightly negative¹ then the CVP water contractor is deemed to have full future need of the maximum annual CVP supply currently under contract for all year types. Dry year and critically dry year analyses were only performed for urban contractors who did not demonstrate full future need of their CVP contract supply in a normal hydrologic year.

The methodology used to estimate agricultural and urban water demands as well as to estimate the availability of non-CVP supplies is described in the following sections.

¹ If the negative amount is within 10% for contracts in excess of 15,000 acre-feet, or within 25% for contracts equal to, or less than, 15,000 acre-feet; the test of full future need of CVP supplies under contract is deemed to be met.

Agricultural Water Demand:

Agricultural water demand is defined as the sum of the district's irrigation water demand and the intra-district conveyance losses, where irrigation water demand is the product of the irrigated acreage in a district and the average farm delivery requirement. The farm delivery requirement is defined as the unit amount of water necessary to supply crop water needs in excess of effective precipitation and varies based on crop type, climate, irrigation water quality, soil salinity and irrigation method. The district's irrigation water demand is not necessarily the sum of all the on-farm irrigation water demands because such measures as recycling of intra-district return flows are effective in reducing the overall district irrigation water demand. The assumption for this analysis is that the continued implementation of water use efficiency measures between now and the year 2025 will further reduce the unit amount of water needed to grow crops in the future. Often, it is also assumed that district conveyance losses will decrease in the future. Specifically, district irrigation efficiencies are assumed to increase from an average of 75 percent currently to 85 percent by the year 2025, where district irrigation efficiency is defined as follows:

$$\text{District Irrigation Efficiency} = \frac{\text{Supply} - \text{B Non Recoverable Losses to the District}}{\text{Supply}}$$

or

$$= \frac{\text{District's Crop Water Requirement of Applied Water (ETAW)} + \text{Recoverable losses within the District}^2}{\text{District's Irrigation Water Demand}}$$

Certain districts, such as those with large elevation differences within their boundaries, have target district irrigation efficiencies of 80 percent.

Estimating Crop Water Requirements

Generally, the CVP water contractors' Water Management Plans provide historical information on crop water requirements. This information was used in the snapshot year analyses to confirm past beneficial use of CVP supplies and to reflect the base condition in the environmental documents.

Reclamation estimated crop water requirements for the year 2025 level of development based on the CVP water contractors' estimates of future crops and acreage planted multiplied by estimates of the farm delivery requirements for each crop. Reclamation staff initially estimated crop water requirements for all regions using evapotranspiration (ET) and effective precipitation (EP) data from several sources: 1) California Department of Water Resources (DWR) Bulletin 160-98, 2) DWR Bulletin 113-3, and 3) Reclamation knowledge and experience. The ET and EP information was tabulated on a Detailed Analysis Unit (DAU) basis and then proportioned to each district based on the district's area in a DAU. The data was then used in combination with other traditional

² Recoverable loss is defined as water recovered or recoverable by the district or irrigators for reuse.

methodologies for determining crop water requirements to estimate each district's total irrigation water demand in the year 2025.

In February 2000, representatives of the Friant and Delta Region CVP water contractors expressed the following concerns with using this methodology:

The crop water requirements estimated are too low;

The effective precipitation component to meeting crop water requirements is too high for some areas.

In order to address these concerns a number of evaluations were performed.

One analysis compared the agricultural water demand calculations performed by the districts' private consultant and those performed by Reclamation for the water districts in the Delta Region. This analysis indicated that Reclamation's and the consultant's estimation of these water demands on a regional basis is close (within 8%). However, the results of the agricultural water demand determinations diverge as the regional area is broken into sub-regions and especially when the comparison is made at the district level.

A comparison of calculations of ET and EP for alfalfa in the Friant Region using the methodologies of Bulletin 160-98, Reclamation and the Natural Resources Conservation Service (NRCS) indicates that Bulletin 160-98 consistently estimates EP higher than the other two methods at the district level. One reason for this difference appears to be that the Bulletin 160-98 methodology estimates the contribution of rainfall to the soil moisture profile in the non-irrigation season in a different way than the other two methodologies. Similarly, a comparison of ET values shows that the Bulletin 160-98 values are consistently lower than the NRCS values at the district level. This difference is most likely the result of Bulletin 160-98's use of Aactual@ ET values. AActual@ ET is potential ET modified to reflect regional agricultural practices by farmers. The NRCS method uses potential ET values without modification.

Based on discussions with DWR, the affected CVP water contractors and their consultants; Reclamation concluded that the regional agricultural practices taken into account by Bulletin 160-98 may not be reflective of current and/or future practices by the CVP water contractors. For this reason, Reclamation determined that it was more prudent to use potential ET values than the Aactual@ ET values from Bulletin 160-98 in evaluating 2025 crop water requirements for water districts located in the Friant and Delta Regions.

In addition, Reclamation and representatives of the Friant and Delta Region water contractors agreed on a different methodology to estimate EP than the one used in Bulletin 160-98 because of the lack of dependable rainfall. The bulletin assumes rainfall is effective if it can be stored in the soil moisture profile, or directly meet crop water needs during any month. However, in actual practice to effectively manage farm operations, a farmer may need to pre-irrigate one or more fields earlier in the month only to have a major precipitation later in the month, thus reducing the effectiveness of the

rainfall during that month.

Revised Agricultural Water Demand Methodology for the Friant and Delta Regions:

Following is a description of the revised methodology for estimating ET and EP:

EP is estimated to be 50 percent of long-term average annual rainfall with the exception of citrus EP. For citrus groves, it is estimated that one inch of the initial rainfall is stored before the soil seals over and the runoff begins; then about 10% of the additional rainfall for the season is estimated to be effective.

ET is determined using California Irrigation Management Information System (CIMIS) potential ET data and crop coefficients supplied by the University of California Cooperative Extension.

No change was made to the ET and EP determinations for the CVP water contractors in the other regions because these regions are located in areas of higher precipitation not as sensitive to the issues raised in the comparative analyses.

Urban Water Demand:

Urban water demand is defined as the sum of residential, nonresidential and distribution system demands. The components of residential demand include indoor and outdoor demand. Originally, information on residential and a portion of nonresidential demand was requested in terms of these two components; however, most CVP water contractors were unable to provide the information in that format. Therefore, the information request was revised to a combined figure for indoor and outdoor use. Nonresidential demand includes commercial, institutional and industrial demands. Distribution system demands consist of unaccounted beneficial use and distribution system losses where:

Unaccounted beneficial use includes water for such uses as fire fighting, mainline flushing, storm drain flushing, sewer and street cleaning, construction site use, water quality testing and other testing.

Distribution system losses accounts for water lost because of leaks in storage and distribution systems, evaporation, illegal connections, and water theft.

Projected M&I water demand will be influenced over time by many factors, including future land use changes, population shifts, and improvements in residential and distribution system efficiencies over time. As is the case for agricultural water demands, the methodology assumes that the implementation of water conservation measures in the next 25 years will increase the efficiency of urban water use and reduce unit M&I water demands. Specifically, the average per capita usage is assumed to decrease from 5% to 14% depending on the location in the state.

Non-CVP Water Supplies:

Non-CVP water supplies can include groundwater including the conjunctive use of surface and groundwater, State Water Project (SWP) supplies, local surface water supplies, recycled water, inter-district return flows and water transfers. The methodology considers water transfers a beneficial use of water. Water transfers are, therefore, included in the 2025 level assessments if there is evidence of a commitment by both parties to engage in the transfer in this timeframe.

Average values for SWP and local surface supplies are used in the 2025 level assessments unless the analysis is for dry or critical year conditions. Often the source of information is the 10-year average surface water supply from the contractor's Water Management Plan. If there is an indication that surface water supplies will decrease in the future because of increased upstream diversions or increased environmental requirements, the surface water supply is reduced to reflect these considerations in the 2025 level assessment.

Where available, groundwater safe yields are used to estimate future groundwater pumping. Safe yield is defined as the amount of groundwater a district can pump on a long-term average and not cause the long-term decline of groundwater levels leading to excessive depths for pumping or leading to degradation of groundwater quality. A safe yield value is the result of a complex interaction between many factors; a change in any one of the factors can have an impact on the value obtained from safe yield computations. The main factors involved in safe yield computations can include, but are not limited to, water supply, consumptive use, losses to the system, and water quality. Adding to the complexity of the analysis is that many, if not most, of the factors involved in a safe yield computation are time dependent, and have both short-term and long-term trends--which may be quite different. If a safe yield analysis is not available for the contractors' groundwater resources, groundwater pumping and recharge, if applicable, is estimated from historical information for the 2025 level assessments.

Originally, groundwater pumping for the Friant Region was estimated based on historical estimates of groundwater pumping for 1996 from the water contractors' Water Management Plans. During the February 2000 discussions with representatives of the Friant Region water contractors, the issue of groundwater was raised. Specifically, Reclamation was requested to evaluate the possibility of using the original safe yields estimated by Reclamation as the supply available from groundwater in the 2025 level assessments. Reclamation agreed to investigate the use of these original safe yields because the original safe yields were developed for ultimate buildup and included CVP groundwater recharge. Following is a summary of the analysis performed to estimate groundwater pumping for the Friant Region in the 2025 level assessments:

Analysis of Groundwater Pumping in the Friant Region:

Groundwater technical studies were conducted by Reclamation in the 1940's and 1950's to characterize the geohydrology, groundwater occurrence and groundwater conditions in

each district, and to determine each district's safe yield. Prior to the delivery of CVP water supplies, farmers irrigated mainly with groundwater, although some local surface water sources were also used. Because recharge of groundwater could not keep pace with the use of water primarily for agricultural purposes, groundwater levels had declined in many areas, and groundwater overdraft was common throughout the region.

A review of Reclamation's original safe yields for the Friant Region shows that these safe yield estimates are generally less than the estimated amounts of groundwater pumping for 1996. Reclamation's original safe yield estimates are also generally less than the updated safe yield estimates performed by Reclamation for some of the districts in the early 1990's. However, the 1990's safe yield estimates are considered preliminary numbers and were never adopted by Reclamation nor accepted by the Friant water contractors. Historical estimates of groundwater pumping indicate that these water contractors are pumping groundwater in excess of the original safe yields.

The groundwater pumping in excess of safe yield has resulted in the continued decline in the groundwater tables underlying most of the districts. A review of hundreds of individual well hydrographs shows that this increase in pumping has not been supported by the aquifer. Most districts are still experiencing declining groundwater levels since the inception of CVP deliveries. With the exception of five districts (Delano Earlimart, Exeter, Lindmore, Lindsay-Strathmore and Orange Cove), cumulative groundwater storage has decreased in the remaining 19 Friant districts since the CVP began importing water into those districts. The five districts that show overall rises in groundwater storage change have unique geohydrologic conditions and were evaluated individually to determine appropriate levels of groundwater pumping for the 2025 level assessments. From the analysis performed, it can be concluded that CVP deliveries since 1986, as evidenced by a continuous decline in storage from 1986 to 1992, have not been sufficient to maintain reasonably stable groundwater levels, nor have CVP deliveries supported an increase in groundwater levels in wet years under the conjunctive use operations practiced by most districts. Safe yield pumping in combination with surface water supplies should have sustained or raised groundwater levels to some stable level. However, historical groundwater pumping has been higher than the safe yield values. In addition, unforeseen factors in the original safe yield analysis such as the magnitude of groundwater use by non-district entities primarily for urban needs within the boundaries of the district, the magnitude of groundwater and surface water use by adjacent districts, changes in the type of crops, droughts and reductions in CVP water deliveries may render even the original safe yield values as too high. However, the unavailability of critical information and the lack of time to perform an analysis make the determination of new safe yields for the Friant Region infeasible at this time. Therefore, Reclamation concurs that the original safe yields are appropriate to depict groundwater pumping in the 2025 level assessments for the Friant Region.

Sources of Information

The Water Management Plans that most water districts have prepared in response to the mandates of the Central Valley Project Improvement Act and the Reclamation Reform

Act provide information on agricultural, urban and environmental water demands as well as on water supplies available to meet these demands. In most cases, these plans depict information for a representative year, although some plans provide a number of years of historical information as well as projections for the future. Fortunately, the representative year for many of these plans is either 1989, or 1996. The water contractors were asked to verify that information contained in these plans may be used to calculate past beneficial use and/or to depict current conditions for the purposes of the environmental documentation. In addition, the agricultural water contractors were requested to provide projections of types of crops planted, irrigated acres and amounts and types of non-CVP water supplies for the year 2025. Similarly, the urban water contractors were asked to provide population projections, projections of nonresidential water demand and amounts and types of non-CVP water supplies for the year 2025.

Other sources of information included DWR Bulletin 160-98, DWR Bulletin 113-3, CIMIS information, crop coefficients from various sources, Reclamation's annual crop reports, the January 2000 Water Forum Agreements for the American River, Reclamation's groundwater safe yield studies and miscellaneous planning and environmental documents.

Exhibit D[@]

Repayment Obligation - Current Calculation under the WIIN Act, Section 4011 (a) (2)

Unpaid Construction Cost from the 2020 Water Rate Books*		
Contractor:	Westlands Water District DD #1	
Facility:	San Luis Canal (Delta-Mendota Pool and DD#2 provided separate)	
Contract:	14-06-200-0495A-IR1-P, 14-06-200-7823J-LTR1-P, 14-06-200-8092-IR5-P, 7-07-20-W0055B-IR5-P, 14-06-200-8018B-IR5-P, 14-06-200-3365AB-IR5-P	
Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba and A-2Bc)		
	Unpaid Cost	Discount
Construction Cost (Excludes Intertie):	\$ 250,171,144	
2019 Repayment (Estimate) **	\$ 49,813,728	
Adjusted Construction Cost (Excludes Intertie):	\$ 200,357,416	\$ 189,837,822
Intertie Construction Cost:	\$ 18,005,992	\$ 14,797,371
Total	\$ 218,363,408	\$ 204,635,193
If Paid in Installments (Used 20 yr CMT)		
Due****		
Payment 1 6/1/2020	\$ 52,321,480	
Payment 2 6/2/2021	\$ 52,321,480	
Payment 3 6/2/2022	\$ 52,321,480	
Payment 4 6/2/2023	\$ 52,321,480	
Total Installment Payments	\$ 209,285,920	
20 yr CMT Rates - 02/20/2020 (to be adjusted to effective date of contract) [@]		1.810%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		0.905%

M&I Construction Cost (2020 M&I Ratebook, Sch A-2Ba)	
	Unpaid Cost
Construction Cost:	\$ 286,220
2019 Repayment (Estimate) **	\$ 21,307
Adjusted Construction Cost***:	\$ 264,913

Calculation Support: Irrigation Lump Sum or First Payment**** 6/1/2020
Days Until the End of the Fiscal Year 121

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
2020 \$ 200,357,416	\$ 18,214,311	\$ 17,997,265		\$ 18,005,992	\$ 409,227	\$ 404,351	\$ 18,401,616
2021 \$ 182,143,106	\$ 18,214,311	\$ 17,889,054		\$ 17,596,765	\$ 409,227	\$ 401,919	\$ 18,290,973
2022 \$ 163,928,795	\$ 18,214,311	\$ 17,728,610		\$ 17,187,538	\$ 409,227	\$ 398,315	\$ 18,126,924
2023 \$ 145,714,485	\$ 18,214,311	\$ 17,569,605		\$ 16,778,311	\$ 409,227	\$ 394,742	\$ 17,964,347
2024 \$ 127,500,174	\$ 18,214,311	\$ 17,412,026		\$ 16,369,084	\$ 409,227	\$ 391,202	\$ 17,803,228
2025 \$ 109,285,863	\$ 18,214,311	\$ 17,255,860		\$ 15,959,857	\$ 409,227	\$ 387,693	\$ 17,643,554
2026 \$ 91,071,553	\$ 18,214,311	\$ 17,101,095		\$ 15,550,629	\$ 409,227	\$ 384,216	\$ 17,485,312
2027 \$ 72,857,242	\$ 18,214,311	\$ 16,947,719		\$ 15,141,402	\$ 409,227	\$ 380,770	\$ 17,328,489
2028 \$ 54,642,932	\$ 18,214,311	\$ 16,795,717		\$ 14,732,175	\$ 409,227	\$ 377,355	\$ 17,173,072
2029 \$ 36,428,621	\$ 18,214,311	\$ 16,645,079		\$ 14,322,948	\$ 409,227	\$ 373,971	\$ 17,019,050
2030 \$ 18,214,311	\$ 18,214,311	\$ 16,495,792		\$ 13,913,721	\$ 409,227	\$ 370,617	\$ 16,866,409
2031-63 Total, Lump Sum Payment				\$ 13,504,494	\$ 13,504,494	\$ 10,532,220	\$ 10,532,220
						\$ 14,797,371	\$ 204,635,193

Amount of Reduction, Lump Sum \$ 10,519,594 \$ 3,208,621 \$ 13,728,215

* Costs are assumed to be paid and all charges are assumed to be accurate. If at a later date charges are determined to need update, they are still required. Also, unpaid charges are still a requirement under contract.

** 2019 Repayment is based on a conservative estimate. If not sufficient, the remainder will be billed.

*** Excludes Interest to payment date as Interest will be computed as an annual expense as usual.

****Contractor has 60 days from the effective date of the contract or installment dates to make payment.

[@]To be updated. The WIIN Act requires us to have a Constant Maturity Treasury rate based on the effective date of the contract.

Exhibit D[@]

Repayment Obligation - Current Calculation under the WIIN Act, Section 4011 (a) (2)

Unpaid Construction Cost from the 2020 Water Rate Books*		
Contractor:	Westlands Water District	
Facility:	Delta Mendota Pool (San Luis Canal and DD#2 provided separate)	
Contract:	14-06-200-0495A-IR1-P	
Irrigation Construction Cost (2020 Irrigation Ratebook, Schedule A-2Ba and A-2Bc)		
	Unpaid Cost	Discount
Construction Cost (Excludes Intertie):	\$ 388,865	
2019 Repayment (Estimate) **	\$ 5,757	
Adjusted Construction Cost (Excludes Intertie):	<u>\$ 383,108</u>	\$ 362,993
Intertie Construction Cost:	\$ 190,033	\$ 156,170
Total	\$ 573,141	\$ 519,163
If Paid in Installments (Used 20 yr CMT)		
	Due****	
Payment 1 6/1/2020	\$ 132,740	
Payment 2 6/2/2021	\$ 132,740	
Payment 3 6/2/2022	\$ 132,740	
Payment 4 6/2/2023	\$ 132,740	
Total Installment Payments	<u>\$ 530,962</u>	
20 yr CMT Rates - 02/20/2020 (to be adjusted to effective date of contract) [@]		1.810%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		0.905%

M&I Construction Cost (2020 M&I Ratebook, Sch A-2Ba)	
	Unpaid Cost
Construction Cost:	\$ -
2019 Repayment (Estimate) **	\$ -
Adjusted Construction Cost****:	\$ -

Calculation Support: Irrigation Lump Sum or First Payment**** 6/1/2020
Days Until the End of the Fiscal Year 121

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
2020 \$ 383,108	\$ 34,828	\$ 34,413	\$ 190,033	\$ 4,319	\$ 4,267	\$ 38,680	
2021 \$ 348,280	\$ 34,828	\$ 34,206	\$ 185,714	\$ 4,319	\$ 4,242	\$ 38,448	
2022 \$ 313,452	\$ 34,828	\$ 33,899	\$ 181,395	\$ 4,319	\$ 4,204	\$ 38,103	
2023 \$ 278,624	\$ 34,828	\$ 33,595	\$ 177,076	\$ 4,319	\$ 4,166	\$ 37,761	
2024 \$ 243,796	\$ 34,828	\$ 33,294	\$ 172,757	\$ 4,319	\$ 4,129	\$ 37,423	
2025 \$ 208,968	\$ 34,828	\$ 32,995	\$ 168,438	\$ 4,319	\$ 4,092	\$ 37,087	
2026 \$ 174,140	\$ 34,828	\$ 32,699	\$ 164,119	\$ 4,319	\$ 4,055	\$ 36,754	
2027 \$ 139,312	\$ 34,828	\$ 32,406	\$ 159,800	\$ 4,319	\$ 4,019	\$ 36,425	
2028 \$ 104,484	\$ 34,828	\$ 32,115	\$ 155,482	\$ 4,319	\$ 3,983	\$ 36,098	
2029 \$ 69,656	\$ 34,828	\$ 31,827	\$ 151,163	\$ 4,319	\$ 3,947	\$ 35,774	
2030 \$ 34,828	\$ 34,828	\$ 31,542	\$ 146,844	\$ 4,319	\$ 3,911	\$ 35,453	
2031-63			\$ 142,525	\$ 142,525	\$ 111,156	\$ 111,156	
Total, Lump Sum Payment		<u>\$ 362,993</u>			<u>\$ 156,170</u>	<u>\$ 519,163</u>	

Amount of Reduction, Lump Sum \$ 20,115 \$ 33,863 \$ 53,978

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****Contractor has 60 days from the effective date of the contract or installment dates to make payment.

[@]To be updated. The WIIN Act requires us to have a Constant Maturity Treasury rate based on the effective date of the contract.